THE WARDEN AND SCHOLARS OF THE HOUSE OR COLLEGE OF SCHOLARS OF MERTON IN THE UNIVERSITY OF OXFORD

England & Wales · Charity number 1139022

Details

Other names	MERTON COLLEGE
Status	Registered
Legal form	Other
Registered	2010-11-15
Register	View on the Charity Commission register

Contact

Address	Merton College Merton Street Oxford OX1 4JD
Phone	01865276310
Email	charles.alexander@merton.ox.ac.uk
Website	www.merton.ox.ac.uk

Activities

Objects: FOR THE PUBLIC BENEFIT TO ADVANCE EDUCATION, RELIGION, LEARNING AND RESEARCH AND TO BE A COLLEGE IN OXFORD OR ELSEWHERE

Activities: THE ADVANCEMENT OF EDUCATION AND LEARNING THROUGH PROVISION OF TEACHING AND EDUCATIONAL SUPPORT TO APPROXIMATELY 600 RESIDENT UNDERGRADUATE AND GRADUATE STUDENTS WHO ARE ENGAGED ON A COURSE OF STUDIES LEADING TO THE AWARD OF A DEGREE IN THE UNIVERISTY OF OXFORD AND THROUGH THE APPOINTMENT OR EMPLOYMENT OF FELLOWS AND ACADEMIC STAFF WHO ARE ACTIVELY ENGAGED IN RESEARCH

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Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** OXFORDSHIRE
- Oxfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£20,350,000	£23,996,000	£419,586,000	153
2024-07-31	£21,160,000	£21,855,000	£407,549,000	155
2023-07-31	£16,574,000	£19,047,000	£358,061,000	153
2022-07-31	£15,112,000	£18,981,000	£363,494,000	138
2021-07-31	£13,847,000	£16,969,000	£339,597,000	132

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Trustees

Name	Role	Appointed
ANDREW MACKIE		2013-12-05
CHARLES ALAN HEATHCOTE ALEXANDER		2013-02-14
Dr Alice Brooke		2018-10-01
Dr Andres Bustamante		2025-10-08
Dr Bassel Tarbush		2013-09-01
Dr Gabrielle Messeder		2025-10-08
Dr JULIA CAROLINE WALWORTH		
Dr Jane Gover		2020-05-04
Dr Jennifer Altehenger		2019-10-09
Dr Kate Blackmon		2003-10-01
Dr Katharina Friege		2025-10-08
Dr Lindsay Baker		2023-09-01
Dr Matthew Grimley		
Dr Raz Slutsky		2025-10-08
Dr Rory Gregson		2024-10-09
Dr Sumali Bajaj		2026-01-14
Dr Ted Tregear		2024-10-09
FRA' JOHN EIDINOW		2016-04-01
Mark Coote		2021-05-04
PROF DAVID PATERSON		
PROFESSOR ALAN MORRISON		
PROFESSOR ALEXANDER SCOTT		
PROFESSOR ARTUR EKERT		
PROFESSOR HUGH WATKINS		2016-05-01
PROFESSOR IRENE LEMOS		
PROFESSOR PETER WILLIAM HAROLD HOLLAND		

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Name	Role	Appointed
PROFESSOR SIMON MARTIN HOOKER		
PROFESSOR SIR ANDREW WILES		2011-11-14
Prof Radek Erban		2014-09-01
Prof. Daniel MacGregor Grimley		
Professor ALAN BARR		
Professor ALEXANDER SCHEKOCHIHIN		
Professor Ehud Hrushovski		2016-10-01
Professor Helen Small		2018-10-01
Professor IAN MACLACHLAN		
Professor JONATHAN RALPH WARBURG PRAG		
Professor James Newton		2021-09-01
Professor Julian Knight		2016-10-01
Professor Lorna Hutson		2016-10-01
Professor MICHAEL WHITWORTH		
Professor Madhavi Krishnan		2018-06-01
Professor Matthew Higgins		2016-10-01
Professor Naomi Waltham-Smith		2023-09-01
Professor PATRICIA THORNTON		
Professor Paul McGonigal		2025-05-21
Professor RHIANNON ASH		
Professor STEVEN GUNN		
Professor Samuel Fletcher		2024-10-09
Professor Stanislav Zivny		2024-10-09
Professor Thomas Richards		2020-01-01
Rev Justin White		2025-01-15
Tim Lightfoot		2016-05-09
Warden JENNIFER PAYNE		

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THE WARDEN AND SCHOLARS OF THE HOUSE OR COLLEGE OF SCHOLARS OF MERTON IN THE UNI

England & Wales - Charity number 1139022

Accounts

MERTON
COLLEGE
OXFORD

Annual Report and Financial Statements
Year ended 31 July 2025

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MEMBERS OF THE GOVERNING BODY 1 August 2024 to 31 July 2025

The members of the Governing Body, who are Fellows of the College, are the College's charity trustees. The members of the Governing Body who served in office during the year or at the date of this Report are detailed below.

			1	2	3	4	5
1	Mr Charles Alexander		•	•	•		
2	Dr Jennifer Altehenger		•	•			
3	Professor Rhiannon Ash			•			
4	Dr Lindsay Baker			•			
5	Professor Alan Barr			•			
6	Dr Kathryn Blackmon			•			
7	Dr Alice Brooke			•			
8	Dr Lucy Brookes						
9	Mr Mark Coote				•		
10	Dr Helen Craske	(end of fellowship 30.09.24)					
11	Dr Chloe Deambrogio	(end of fellowship 30.09.24)					
12	Dr Daniela Dover	(resigned 30.09.24)		•			
13	Frater John Eidinow		•	•			
14	Professor Artur Ekert						
15	Professor Radek Erban			•			
16	Professor Samuel Fletcher	(appointed 01.09.24)		•			
17	Dr Hadleigh Frost	(end of fellowship 30.09.24					
18	Professor John Geddes	(retired 31.12.24)					
19	Mr John Gloag	(retired 31.03.25)	•				
20	Dr Jane Gover			•			
21	Dr. Rory Gregson	(appointed 01.09.24)		•			
22	Professor Daniel Grimley		•				
23	Dr Matthew Grimley			•	•		
24	Professor Timothy Guilford	(retired 30.09.24)		•			
25	Professor Steven Gunn			•			
26	Professor Matthew Higgins			•	•		
27	Professor Peter Holland						
28	Professor Simon Hooker			•			
29	Professor Ehud Hrushovski						
30	Professor Lorna Hutson						
31	Revd Canon Dr Simon Jones	(resigned 13.09.24)		•	•		
32	Dr Vatsal Khandelwal	(end of fellowship 30.09.24)					
33	Professor Julian Knight			•			
34	Professor Madhavi Krishnan			•			
35	Professor Nathaniel Lane			•			
36	Professor Irene Lemos					•	

37	Mr Timothy Lightfoot		•	•			
38	Dr Alexander Lipp	(resigned 31.12.24)					
39	Mr Andrew Mackie		•			•	
40	Professor Ian Maclachlan		•	•			
41	Professor Richard McCabe	(retired 30.09.24)		•			
42	Dr Paul McGoniagal	(appointed 01.05.25)		•			
43	Professor Alan Morrison						•
44	Dr David Nadlinger						
45	Professor James Newton			•			
46	Professor Béla Novák	(deceased 22.02.25)					
47	Professor David Paterson			•			•
48	Professor Jennifer Payne		•	•	•		
49	Professor Jonathan Prag			•			
50	Dr Krishnan Ram-Prasad						
51	Professor Thomas Richards			•			
52	Dr Martina Astrid Rodda						
53	Professor Alexander Schekochihin			•			
54	Professor Alexander Scott			•	•		
55	Professor Helen Small						
56	Dr Bassel Tarbush		•	•			
57	Dr. Ted Tregear	(appointed 01.09.24)		•			
58	Professor Patricia Thornton			•			
59	Professor Naomi Waltham-Smith		•	•			
60	Dr Julia Walworth			•	•		
61	Professor Hugh Watkins						
62	The Reverend Canon Justin White	(appointed 06.01.25)		•	•		
63	Prof Michael Whitworth		•	•			
64	Professor Sir Andrew Wiles			•		•	
65	Professor Stanislav Zivny	(appointed 01.09.24)		•			

The following Fellows were appointed as members of the Governing Body from 8 October 2025:

Dr Gabrielle Messeder
Dr Andrés Bustamante Agudelo
Dr Katharina Friege
Dr Raz Slutsky
Dr Sumali Bajaj (from 1 January 2026)

During the year, the major activities of the Governing Body were carried out through five main committees (further details on these committees are provided in the Report of the Governing Body below). The membership of these committees is shown above for each Fellow.

1. Finance Committee
2. Warden & Tutors' Committee
3. Development & Alumni Relations Committee
4. Remuneration Committee
5. Audit Committee

The Audit Committee was established in the year, following on from the decision of Governing Body in Trinity term 2024 to create the committee.

COLLEGE SENIOR STAFF

The senior staff of the College were as follows for the year ended 31 July 2025:

Professor Jennifer Payne	Warden
Professor Michael Whitworth	Sub-Warden
Mr Charles Alexander	Finance Bursar
Mr Timothy Lightfoot	Domestic Bursar
Mr John Gloag Ms Sophie Tidy	Land Agent & Estates Bursar until 31.03.25 Land Agent from 09.01.25
The Revd Canon Dr Simon Jones The Revd Canon Justin White	Chaplain until 13.09.24 Chaplain from 06.01.25
Fra' John Eidinow	Dean & Keeper of the Statutes
Dr Jane Gover	Senior Tutor
Mr Mark Coote	Development Director
Dr Julia Walworth	Librarian

COLLEGE ADVISERS

Investment Managers

Legal & General, One Coleman Street, London EC2R 5AA

Schroder & Co. Limited, 31 Gresham Street, London EC2V 1QA

Cerno Capital Partners LLP, 34 Sackville Street, London W1S 3ED

Auditors

Gravita Audit Oxford LLP, First Floor, Park Central, 40-41 Park End Street, Oxford, OX1 1JD

Bankers

Barclays Bank plc, Oxford City, 54 Cornmarket Street, Oxford OX1 3HB

Solicitors

HCR Hewitsons, Elgin House, Billing Road, Northampton NN1 5AB

Mills & Reeve, 112 Hills Road, Cambridge CB2 1PH

Penningtons Manches, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Wilsons LLP, Alexandra House, St Johns Street, Salisbury SP1 2SB and, Lincoln's Inn Fields, London WC2A 3AA

Surveyors

Savills, Wytham Court, 11 Westway, Oxford OX2 0QL

Newmark Gerald Eve LLP, One Fitzroy, 6 Mortimer Street, London, W1T 3JJ

Other

Peninsula Business Services, 2 Cheetham Hill Road, Manchester M4 4FB

College address
Merton College, Merton Street, Oxford OX1 4JD

Website
www.merton.ox.ac.uk

REPORT OF THE GOVERNING BODY

Under the Charities Act 2011, the Governing Body presents its Annual Report for the year ended 31 July 2025, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Merton College is a charitable corporation founded as a self-governing community of scholars first in Malden, Surrey, and then in Oxford, by Walter of Merton, Lord Chancellor of England, and Bishop of Rochester, with royal consent under statutes dated 1264 and 1274. The College's current statutes were approved by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923 on 15 July 2015. The full legal name of the College is 'The Warden and Scholars of the House or College of Scholars of Merton in the University of Oxford'. The term 'Fellows' latterly replaced 'Scholars', and the Fellows elected under Statute 4.2(a) of the College Statutes, together with the Warden, who is the head of the College, comprise the Governing Body of the College. The College registered with the Charities Commission on 15 November 2010 (registered number 1139022). Prior to that date the College was an exempt charity under section 3(5a) of the Charities Act 1993, as listed in Schedule 2(b) to that Act.

The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 5.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes approved in 2015 by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Archbishop of Canterbury. The Governing Body is self-appointing, and membership is subject to review and renewal every seven years and ceases with retirement from office.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by four main committees and thirty other ancillary or subsidiary committees, forums and panels (including standing appointment panels for research posts and panels which meet ad hoc to deal with disciplinary and other matters).

Recruitment and training of members of the Governing Body

New Fellows are elected to the Governing Body on the basis of their knowledge of and contribution to education, learning and research within the College and the University of Oxford, or on the basis of their possession of professional and administrative qualifications and skills that will enable them to advise and assist other members of the Governing Body.

Recommendations concerning appointments to posts qualifying the holders for Fellowships are made to the Governing Body by committees convened specifically for the purpose and chaired by the Warden. Appointment committees include expert members recruited from outside the College, and academic appointments may be made by joint process with a faculty or department of the University of Oxford.

New members of the Governing Body are inducted into the workings of the College, including their role as trustees and Governing Body policies and procedures by the senior staff of the College, are provided with written reference material explaining their roles, and may attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements. All members of the Governing Body are briefed annually on the duties of trusteeship and provided

with other relevant regulatory briefings.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College other than as provided for by the Statutes of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which are Fellows not employed by the College and external members. Where practical, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior College staff is set by the Governing Body on the advice of the Remuneration Committee in line with market norms.

Organisational management

The Governing Body meets at least nine times a year. The work of developing and monitoring the implementation of its policies is mostly carried out by five committees, described below.

Finance Committee

The Committee is responsible for advising the Governing Body on all matters concerning finance, financial administration, investment, accounting and risk management. The Committee is also responsible for the administration of the terms and conditions of employment of non-academic staff and academic staff who are not members of Governing Body (the Remuneration Committee is responsible for members of Governing Body, and employment issues may also be considered by the Equality Forum). The Committee is chaired by the Warden and has up to fourteen members, including up to three members with relevant skills who are not members of the Governing Body and include the College Accountant. It meets at least six times each year. There is an Investment Sub-Committee consisting of four members of the Governing Body, including the Warden and up to five members who have relevant professional skills and experience and who are not members of the Governing Body.

Academic Committee (Warden & Tutors' Committee)

The Warden and Tutors' Committee has delegated authority to make and enforce regulations on all matters concerning junior members, including their academic work, welfare, recreational use of College facilities, and disciplinary matters. The Committee reports to the Governing Body its decisions on all matters of principle on these topics and makes recommendations to the Governing Body on other relevant matters, including

material changes to the range and focus of educational activities.

The Committee is chaired by the Warden and its more than thirty members include the Senior Tutor, the subject Tutors, the Finance and Domestic Bursars, the Dean & Keeper of Statutes, the Librarian, the Chaplain and the Academic Registrar. The Committee meets at least twelve times each year. Undergraduate and graduate representatives are entitled to attend the Committee's meetings during the unreserved agenda. Subsidiary committees are responsible for considering student discipline, teaching needs, and student support.

Development and Alumni Relations Committee

The Committee is responsible for the oversight and co-ordination of fundraising and alumni relations activities undertaken by the College, for the recommendation of policy on fundraising and alumni relations, and for the consideration of matters concerning the external relations of the College. It also has responsibility, delegated from Governing Body, for the acceptance of gifts below a £500,000 threshold, with gifts above this amount accepted by Governing Body. The Committee is chaired by the Warden and has fourteen members, including the Development Director, two student representatives and three other members with relevant skills and experience who are not members of the Governing Body. It is scheduled to meet termly.

Remuneration Committee ('Committee on Stipends and Allowances')

The Committee is responsible for making recommendations to the Governing Body concerning the remuneration and benefits of any member of the Governing Body who is employed by the College, or any College Officer who is not a member of the Governing Body. There are seven members of the Committee, no member of the Committee may be an employee of the College, and the chair and three other members may not be members of the Governing Body. The Committee usually meets once annually or otherwise as required.

Audit Committee

The Committee is responsible for a range of matters relating to the auditing of the College accounts including advising the Governing Body on the appointment of the College's auditors, reviewing control of and allowing for donations, and advising the Governing Body of the coherence and resilience of the College's Risk Register and related processes. The committee is chaired by an external member and has a majority of external members. The Committee usually meets twice a year.

Other Committees

Apart from the main committees, there are committees devoted to specific areas of College life including Chapel and Patronage, Garden and Grounds, Library, and Sports. The Domestic Committee oversees all the domestic arrangements of the College. There are student representative members on most of these committees.

The Statutes & Bylaws Committee is tasked with reviewing the statutes, bylaws, regulations and policies of the College and usually meets three times a term. The Fellowship & Appointments Committee is tasked with making recommendations to Governing Body concerning election of Fellows and other appointments. It meets at least once a term.

The Warden has responsibility under the College Statutes for supervising the day-to-day running of the College, supported by the Sub-Warden, Senior Tutor, Tutors, Bursars, Chaplain, Dean & Keeper of the Statutes, Librarian and Development Director. The Warden attends meetings of nearly all the Governing Body's Committees.

During the course of the year, the College continued to engage with the Charity Commission in reflecting on the College's processes of governance, as did other Oxford colleges. This process is ongoing.

Group structure and relationships

The College administers many special funds as detailed in the notes to the financial statements.

The College has a wholly owned non-charitable subsidiary, Merton Enterprises Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton Enterprises Limited comprise letting of the College facilities and merchandise sales.

The College has a wholly owned non-charitable subsidiary, Merton College No. 1 Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton College No. 1 Limited comprise the purchase, development and sale of land and property.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects for the public benefit are: to advance education, learning, research, and religion through the provision of a college in Oxford or elsewhere.

The College's Aims for the public benefit are to achieve the highest outcomes in education, learning and research at national and international level; and to maintain the College Chapel as a place of public worship pursuing the highest standards of liturgical, homiletical, and musical excellence.

The Aims for the College's subsidiaries are to help finance the achievement of the College's Objects.

Activities of the College

The College's principal activity is the advancement of education and learning, through provision of teaching and educational support, to approximately 600 resident undergraduate and graduate students who have been admitted as members of the College and who are engaged on a course of studies leading to the award of a degree in the University of Oxford, through the appointment or employment of Fellows and academic staff who are actively engaged in research, through the provision of accommodation and support facilities and through the provision of research grants to Fellows and students.

Public benefit

The Governing Body intends that the benefits of education and learning provided by the College should be available to the widest possible range of suitably qualified candidates, irrespective of background, and takes careful note of the guidance provided by the Charity Commission on public benefit, the advancement of education and fee-charging.

To this end, the College participates with the University of Oxford and other colleges and institutions in Oxford in an access bursary scheme to provide financial assistance to eligible home undergraduate students.
See http://www.ox.ac.uk/students/fees-funding/ for details of the Oxford Bursary Scheme.

In order to encourage applications from excellent students who might not otherwise consider applying for admission to the College, the College employs a Schools Liaison and Access Officer and operates an outreach programme, including schools' visits, visits to the College, open days and provision of information, to establish and maintain contact with schools, school teachers and students.

The College retains a team of welfare and medical advisers, who provide support and confidential counselling to students and staff who are distressed or who have special needs, and who may authorise grants and funding for referrals for specialist professional treatment or advice.

Students are provided with opportunities to contribute to College policies and practices, through participation in College committees, through formal and informal interaction with College Officers and Fellows, and through voluntary surveys and assessment processes.

The College operates student support funds which may be used to make grants to any student in financial hardship, including grants to supplement funding shortfalls and grants for special academic needs.

The College provides scholarship funds to graduates and makes grants to all students for books and equipment and travel and other research related activities.

The College provides residential accommodation for approximately 300 undergraduates and 170 graduates.

The Equality Forum comprises seven members drawn from the Governing Body, four student members, seven staff members (a College Lecturer, the HR Manager, the Academic Registrar, the Schools Liaison & Access Officer, the Student Support Administrator, and two non-academic employees of the College who are not members of GB) and one external member. The Forum considers and makes recommendations concerning equality in all aspects of College life, including admission of students and student provision and progress, as well as employment issues. The Governing Body appoints one of its members as Equality Adviser.

The College is normally open to the public during visiting hours throughout most of the year. Chapel services are open to members of the public.

ACHIEVEMENTS AND PERFORMANCE

Undergraduate students

314 students were enrolled for undergraduate degree courses at the University of Oxford during the year. Of these, 266 were home (UK) students and 48 were overseas (including in the EU). 180 were studying humanities and social sciences subjects and 134 were studying mathematics, medicine and physical sciences. 107 undergraduates held College scholarships or exhibitions during the year.

86 undergraduates took Final Honour Schools examinations at the University of Oxford in 2025. Of the 86 finalists, ten took degrees classified by pass/distinction outcomes on the MSc-level year. Of these eight students achieved a distinction, one was awarded a merit and one a pass. Of the 76 students classified for first-class, 2.1, or 2.2 degrees, 28 (36.8%) achieved firsts (down from 50% in 2024), 45 (59.2%) achieved 2.1s (up from 43%) and three (4%) achieved a 2.2 degree (up from 1.1% in 2024). No students obtained a third.

Graduate students

188 graduate students were enrolled for research study leading to the DPhil degree at the University of Oxford during the year, of whom 49 were studying humanities, 71 were studying mathematics and physical sciences, 30 were studying social sciences, and 38 were studying medical sciences.

84 students were enrolled for other graduate degrees at the University of Oxford, including the EMBA/MBA, BCL/MJur, MSc, MSt, MPhil, BPhil, Diploma, and 2nd BM.

27 graduates were awarded DPhil degrees and 47 graduates were awarded other graduate degrees during the year.

21 new graduates were elected to College scholarships during the 2024-25 academic year.

Scholarships, bursaries, grants and prizes

Expenditure during the year was as follows:

Undergraduates	
Oxford Bursaries	£ 43,034
Prizes	£ 31,581
Scholarships	£ 52,641
Other grants	£ 127,050
Graduates	
Scholarships	£ 1,034,667
Research and other grants	£ 21,595
All students	
Student support and book grants	£ 189,931

Welfare and disability support

The College appointed its first full-time Head of Welfare in January 2025, following the resignation of the Chaplain Revd Canon Simon Jones, whose role had previously included responsibility for the Chapel as well as the College's welfare provision. The annual cost of staff time (Acting Head of Welfare (for Michaelmas Term 2024), Head of Welfare (from January 2025), Senior Tutor, Academic Registrar, College Nurse, Doctor and Junior Deans for Welfare) and other cost of welfare provision (including a contribution to the University Counselling Services) is of the order of £96K (2024: 84K). 21.3% (125) of the total student population in 2024-25 (79 undergraduates and 46 graduates) had known disabilities or long-term health conditions.

Schools Liaison and Access Activities

The College engaged in over 76 in-person and online schools liaison activities during the 2024-25 academic year reaching thousands of students, particularly in the south-west of England (Merton's main regional link area). These were either Merton-only events or were held in conjunction with the University of Oxford or other Oxford or Cambridge colleges. Work continued with the South West Consortium (Merton College, Exeter College and Lady Margaret Hall) and this is expected to develop further in the coming years. Schools' liaison activities included visits to schools and colleges, attending Higher

Education Fairs, delivering workshops on different aspects of applications, offering taster lectures, and developing pupils' thinking and wider academic skills. Sessions were intended to raise educational aspirations, inform course choices, highlight the benefits of higher education (including studying at Oxford and Merton), and clarify Oxford application's processes. Three in-person open days were held (one in September and two in July), attracting overt 5,000 visitors.

The College continued to develop its work with the Social Mobility Foundation, a UK-wide charity aiming to improve the social mobility of young people. In addition to online events and a one-day visit for 80, a 3-day residential visit to the College was held for a group of 35 year 12 students.

Library

The College Library provides support for teaching, learning, and research by members of the College and visiting researchers through resources, professional assistance, and through maintaining spaces conducive to productive study. The Library also contributes to the effective running of the College administration through management of records, archives, and provision of information. The Library and Archives Committee, which reports to Governing Body, has representation from Fellows, undergraduates, and postgraduates. Decisions about library services are informed by regular user experience surveys, and by frequent informal communications. The College supports staff membership in professional organizations, and staff maintain awareness of best practice through participation in University and professional groups. The College is a member of the Oxford Conservation Consortium to provide professional care and advice in relation to heritage collections and the buildings in which they are housed.

Study spaces, timely access to printed books, and access to electronic resources continue to be highlighted as top priorities in the annual student library survey. Library study spaces are used intensively and are supplemented with other rooms in College during the exam term. A total of 690 print books were acquired in 2024-2025 of which 87 were gifts. The library also participates in an initiative to co-ordinate the purchase of e-publications across the collegiate University. There were 9 accessions to the archives this year: 1 gift, 8 internal transfers (no purchases).

The Library aims to care for special collections, archives, and heritage material to professional standards, to make them known to researchers and the public, and to make them physically accessible for research and for teaching. This year the Library received 159 research visits to consult heritage items. Staff responded to 359 written enquiries (of which 272 were research-related). Information desk staff dealt with some 397 in-person enquiries this year. Library and Archive staff organized 26 temporary displays of special collections and archive items for academic and special interest

groups.

Other developments in 2024-2025:

- A major project to conserve the thirty-nine stained-glass windows in the Upper Library and install ventilated protective secondary glazing, begun in summer 2021, was successfully completed in summer 2025. This work was undertaken by specialists from York Glaziers Trust.
- The historic astronomical instruments were the subject of a fixed-term project by Dr Steven Johnston to provide detailed scholarly descriptions of each of them and to create new display captions.
- The College was awarded a grant from the Friends of the Nations Libraries to help support the acquisition of a fourteenth-century collection of astronomical tables with close links to the scientific work of medieval Fellows of the College.

Fellows

Employment costs were, in respect of Teaching Fellows, £1,512K for the year; in respect of other teaching staff £423K for the year and in respect of Research Fellows and other Fellows (including stipends paid to part-time College Officers) £611K for the year.

Research grants of £177K were made to Fellows during the year.

Of the 44 academic Fellows on the College's Governing Body at the end of Trinity Term 2025, 15 were Mathematical, Physical and Life Scientists, 17 were in the Humanities, 7 in the Social Sciences and 5 in the Medical Sciences. The research interests of Fellows are described further at
http://www.merton.ox.ac.uk/fellowsandresearch/fellows.shtml

Chapel

The Revd Canon Justin White succeeded the Revd Canon Dr Simon Jones as College Chaplain in Hilary Term. The Chaplaincy during Michaelmas was covered by the Assistant Chaplain, the Revd Lyndon Webb, and the Visiting Chaplain, the Revd Christopher Collingwood.

Daily public services were held in the College Chapel throughout the academic year. The main service of the week was on Sunday evening, and it attracted an average in-person attendance of 155. Choral services were also livestreamed. 36 junior members from the College participated in the running of the Chapel.

2 baptisms and 9 weddings took place in the Chapel. Most Chapel collections were donated to charitable causes, and in the year 2024-2025 Doctors without Borders, Abingdon Bridge, Wolvercote Young People's Club, and Christian Aid were the recipients of these.

Choral Foundation

A full complement of 28 choral scholars, 3 graduate choral scholars, 1 choral bursary holder, and one organ scholar have contributed to the services in Chapel on Sundays, Tuesdays and Thursdays. On Mondays and Wednesdays, the services are sung by 31 girl choristers, who are drawn from ten different schools across Oxford. All choral services during the academic year were livestreamed through the College Choir's YouTube account.

The College Choir's concert schedule began with concerts in Germany. Further performances included Duruflé's *Requiem* for the Martin Randall Choral Festival and Mozart's *Requiem* for the Oxford International Song Festival. The Choir also gave a concert as part of The Temple Church's Winter Festival. The Britten Sinfonia had a residency at Merton during 2025, and collaborated with the College Choir for a live broadcast on BBC Radio 3, a performance of Bach's *St John Passion* and a concert of music by Stravinsky, Messiaen and Poulenc which took place at St George's Cathedral, Southwark.

The Girl Choristers undertook a residency at Westminster Abbey in August 2025, and also sang at St George's Chapel, Windsor. They joined the College Choir to record Benjamin Britten's *A Boy was Born* in preparation for the 50th anniversary of the death of the composer.

Capital projects

There were no major capital projects undertaken in 2024-25.

Two smaller capital projects completed within the period included an extension to the boat house, providing additional workshop and storage facilities, and the installation of an internal porch at the south entrance to the Chapel.

Within routine property expenditure, two Tutors' houses have been refurbished at 7 Manor Road and 98 Holywell Street. The external decoration of 6 Merton Street was completed, and 22 Manor Place has been refurbished to provide additional accommodation for up to 7 students.

The refurbishment of the Warden's Lodgings and garden at 19 Merton Street was completed as has the refurbishment of student accommodation in Rose Lane 4 and Mure staircase, including the renewal of a copper roof.

A major programme of stone repair work has continued to the south elevation of Fellows' Quad and Real Tennis Court. Repairs to a section of the city wall are ongoing.

The refurbishment of the MCR which includes fire compliance work on Front 4 staircase has commenced, as has the refurbishment of student accommodation in Front 5, including various energy efficiency improvements and the replacement of a slate roof. These works will be completed in the coming year.

Fundraising

The financial year 2024-25 witnessed a busy schedule of alumni events and gatherings, both in and beyond Oxford, with attendee numbers at an all-time high. The College hosted a number of alumni reunions on site – two Gaudies and two Jubilee lunches - which were equally well attended, and the biennial Merton Society Garden Party, with 420 attendees.

Fundraising for posts and scholarships has been especially strong. The Michael Huffington Chair in Eastern Orthodox Christianity has been established through the generosity of Texan philanthropist the Hon. Michael Huffington. Whilst the funding was directed to the central University the Chair will be based at Merton. The Hilary & Galen Weston Foundation assigned an additional £1.00 million of funding towards the Earth Scholarships programme announced last year, resulting in another two graduate students being awarded full scholarships.

Two DPhil Biochemistry scholarships - the Kyner-Field Scholarships in Structural Vaccinology – were established with the first recipient starting in College in Michaelmas term 2025. A graduate scholarship in Modern Languages, a new graduate scholarship in the Humanities and an unrestricted graduate scholarship have also been created.

The appeal in support of the University's Black Academic Futures programme achieved its target, while the Refugee Academic Futures Scholarship more than met its original goal made possible by donations solicited during the March 2025 Telethon. Surplus funds will go towards a second cycle of the scholarship. The annual Telethon campaign run by student callers raised £0.18 million from members of the Merton alumni community.

The third MCR Posterity Gift for Student Support and Welfare had a 97% contribution rate, an JCR Leavers' Gift also had a 97% contribution rate, both match funded by alumni donors.
A number of other gifts received previously in support of a new library project at the College have been helpfully repurposed towards other activities based on College need.

During the year, the College received £3.28 million in donations and legacies. Of the overall cash donated, £0.52 million was received in respect of Fellowships (teaching and research), £1.57 million towards Graduate Scholarships, £0.36 million in respect of Student Support and the Student Experience, £0.19 million for buildings projects, and £0.09 million for other purposes. £0.55 million was received in unrestricted

donations. A total of £3.03 million was pledged in new funds. The College assisted with donation by the Hon. Michael Huffington for the establishment of the Michael Huffington Chair in Eastern Orthodox Christianity within the Theology Faculty.

The College is registered with the Fundraising Regulator and employs full-time professional staff in the Development Office to act on its behalf in this area and to ensure that it is compliant with the Code of Fundraising Practice. The College, once again, did not receive any complaints relating to its fundraising activities.

FINANCIAL REVIEW

Total income for the year, £20.35 million, was £0.81 million lower than the preceding year, largely due to a reduction in donations and legacies (£1.67 million lower) and trading income (£0.04 million lower). Charitable activities income (teaching, research and residential) increased by £0.37 million, while investment income remained broadly consistent with the prior year.

Total expenditure was £24.00 million, an increase of £2.14 million. The rise reflects continued higher maintenance costs across the College estate (up £0.82 million) and additional IT investment (up £0.26 million). Expenditure on legal and professional services was £1.11 million, lower than the prior year in part due to the progress on the major development project at Yarnton. Unlike the prior year, the College did not benefit from significant pension provision releases, following the end of USS and OSPS deficit recovery contributions (which resulted in the release of the pension reserve in 2023-24 of £1.85 million).

Net income showed a deficit of £3.65 million, compared with a deficit of £0.70 million in the preceding year. Net gains on investments totaled £15.68 million (2024: £50.18 million), contributing to total funds and net assets increasing to £419.59 million from £407.55 million.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its financial obligations in the event of an unexpected revenue shortfall and to provide a buffer that would ensure uninterrupted services.

Free reserves at the year-end amounted to £5.73 million (2024: £7.80 million), representing net current assets less creditors falling due after more than one year and designated reserves.

The College's target is to maintain free reserves of two to four months of expected expenditure. Year-end free reserves represented just under three months of expected

expenditure.

Total funds of the College and its subsidiaries at the year-end amounted to £419.59 million (2024: £407.55 million). This figure includes endowment funds of £387.68 million and unspent restricted funds totaling £8.03 million. Designated reserves at the year-end comprised of the book value of tangible fixed assets of £17.95 million to be spent over their useful economic lives and £0.21 million representing an unrestricted donation received and designated by the trustees for a graduate scholarship to be spent over the next ten to fifteen years.

Going concern

The Governing Body has considered whether to adopt the going concern basis in preparing these financial statements. In support of this, it has received several briefings on the College's finances from the Finance Bursar. The College has a healthy cash position, owns substantial endowed resources, enjoys healthy levels of demand from prospective students, and is ready and able to constrain expenditure growth if necessary. The Governing Body is therefore confident that the College has more than adequate resources to continue its activities for the foreseeable future and considers that there are no uncertainties concerning the College's viability.

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that robust systems are in place to manage these risks. The Audit Committee is tasked with testing the coherence and resilience of the College's Risk Register and related processes and will focus on this aspect of its remit in the coming year in particular. The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are listed below:

Principal risks related to:

- Cyber-attack and failure of shared IT infrastructure
- Welfare roles and responsibilities
- Buildings and maintenance
- Data protection – data breaches
- Recruitment and retention challenges – non-academic staff
- Recruitment and retention challenges – academic staff
- Loss of College sense of community and shared endeavor
- Insufficient/inappropriate space within the operational estate

Emerging risks related to:

- Increasing student demand for College-funded welfare and disability support
- Imbalance between research and teaching time and increased use of non-permanent academic staff
- Governing Body and students' disparity of views on social and educational norms
- Effectiveness of decision-making structures
- Evolving fund-raising environment with potential for reduced donation income
- Climate change impact on property development
- Sustainability subsidy opportunity
- Opportunity for improved College facilities and use of space

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;
- Providing appropriate training to all members of staff and at the induction of new fellows;
- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;
- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and data & information security policies; and
- Ensuring the appropriate insurance policies are in place and reviewed regularly.

Climate Change

The College recognises the risks posed by climate change and is taking action across its operations, estates and investments to reduce its carbon footprint and contribute to biodiversity net gain. The College Sustainability Working Group has now transitioned to a

Sustainability Forum, allowing a more permanent solution to overseeing the College's commitments, and continues to meet once a term. Through the Sustainability Forum the College's Sustainability Strategy has been developed and approved by GB. The strategy sets out how the College aims to reach net zero by 2035 and achieve biodiversity net gain, and has seven key action areas:- Energy use, biodiversity, travel, food, waste, water and investments. The College has also introduced a Sustainability Duty into its decision-making processes ensuring that decisions and recommendations take its sustainability and biodiversity commitments into account. Alongside these actions the College has undertaken a number of steps to actively enhance sustainability and biodiversity across its activities this year including tracking food waste, creation of an iNaturalist project to track biodiversity across College sites, continuing to make its buildings more energy efficient, and increasing sustainable sourcing. The College was awarded a Gold Green Impact Award by the University in May 2025. The award was secured by the sustainability work across the College and particularly by actions to promote biodiversity in the College grounds and reduce food waste. The Gold awarded was an improvement from the Bronze previously held by the College.
The College continues to invest its developed market listed equity portfolio to an ESG tilted tracker, thereby reducing the carbon emissions intensity of the portfolio. The College has adopted a similar approach to its emerging markets equity holdings, investing the portfolio in a similarly tilted ESG tracker. The Sustainability Forum, alongside the Investment Sub-committee, will be considering further enhancements to the College's investment policy to help achieve the College's sustainability goals.

As part of its goal to achieve net zero carbon by 2035, the College began reporting its carbon emissions last year. The College plans to develop the reporting of its emissions eventually to include emissions from its land estates and other investments as well as its operational estates across scopes 1, 2 and 3. At this time, the College is able to report on its scope 1 and 2 emissions and begin to report on some scope 3 categories, aiming to add more categories when accurate data is available. The current scope 3 emissions included are waste disposal, 'Well to Tank' and electricity Transmission and Distribution emissions. The carbon emissions for its operational estate as set out below for the year using the market-based method 2024-25:

Carbon Emissions (tCO^2e)		
	2024-25	2023-24
Scope 1 emissions	257.13	242.05
Scope 1 removals	N/A	N/A
Scope 2 emissions	595.81	788.45
Scope 2 offset *	(595.81)	788.45
Scope 3	272.82	N/A

* Due to net zero tariff

Investment policy, objectives and performance

The College's investment objectives are to balance current and future needs by:

- achieving a nominal return on investment sufficient to maintain or increase the real value of the investments and meet the spending objectives of the College; and

- delivering this objective within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. The College does not use a fixed formal benchmark but compares performance with a wide range of investment indices and investor performance data. The College has made a number of direct and indirect investments that have explicit or implicit socially responsible objectives; its Investment Policy, available on the College's website, includes the College's policy in relation to Socially Responsible Investment.

Investment strategy, policy and performance are monitored by the Finance Committee and its Investment Sub-committee.

At the year end, the College's aggregate long term investments totaled £387.7 million, of which £350.1 million was general endowment and the composition of which is shown in the notes to the financial statements.

The overall total investment return on the general endowment before external expenses was as follows:

Annualised total net return (in GBP) %

Merton College	5.6%
Market Returns:	
Global Equities	12.8%
UK Equities	12.0%
US Equities	-2.1%
UK Gilts	-0.4%
UK Index-Linked Gilts	-7.5%
UK Properties	7.8%

The returns on the general endowment reflect the College's asset allocation. Returns on its property investments, particularly its agricultural holdings, were modest in the year, with a number of development sales in the pipeline but yet to be completed.

The carrying value of the preserved permanent capital (the trust for investment) and the amount of any unapplied total return available for expenditure was taken as the fair value of these funds as at 1 August 2002 (£88.96 million) together with the original gift value of all subsequent endowment received.

The Governing Body annually reviews the level and appropriateness of the unapplied total return allocated to income including a review of prospective investment returns, inflation and market risks. Any surplus arising during the year is reinvested in the College's general endowment.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this 3.5% is calculated on the average of the year-end values in each of the last five years. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

The Governing Body continues to consider how it can achieve the highest outcomes in education, learning and research at national and international level, and continues to review the size and shape of the College and encompassing matters of academic policy, governance and administration. College staff and students continue to contribute to the planning.

Following the condition survey of the College's operational buildings, the College is assessing the expenditure needed to maintain its heritage buildings. The College continues to develop a multi-year plan to achieve its goals for maintenance. To facilitate these plans, and its enhance offering to students, the College is considering building new student accommodation on its Holywell Street site.

Admissions

Undergraduate applicants to Oxford are selected by the individual colleges working within a common framework to ensure that the same standards and practices apply consistently across subjects – see further:
https://www.ox.ac.uk/admissions/undergraduate/applying-to-oxford/decisions/common-framework

Overall application numbers across the University in 2024-25 were 23,145, a slight decrease from the previous year (23,193).

Merton College received 734 applications, an increase from the previous year's figure of 712 applications in 2024. 109 offers were made, of which 89 were open offers. No deferred offers for a 2026 start were made.

For information on admissions at Merton compared with other colleges, see: https://public.tableau.com/profile/sdma.oxford.university#!/

Data on ethnicity is not available to the College through the UCAS. Analysis is undertaken by the University Admissions Office retrospectively on behalf of all colleges, and can be found at:

https://www.ox.ac.uk/about/facts-and-figures/admissions-statistics/undergraduate-students/current/ethnicity

119 applicants to Merton declared a disability in their application, of whom 14 received an offer.

Postgraduate applicants are assessed by the relevant department or faculty and all those admitted are guaranteed a college place. Merton continues to attract substantially more applicants than it has places available.

Attracting the best students from the widest possible range of backgrounds requires more than financial support. Therefore, in the UK, the College continues to develop its schools liaison programme through a full-time staff member, and aims to appeal to all constituencies by improving and enhancing web-based and electronic media and communications. The College continues to develop its recruitment of graduate scholars collaboratively with the academic faculties and departments of the University of Oxford.

Choral Foundation

In the coming year, the College Choir will perform Duruflé's Requiem in Merton College Chapel as part of the Oxford International Song Festival. The choir will celebrate Arvo Part's 90th Birthday with a concert at The Sheldonian Theatre and in December the choir will tour in Hong Kong and Japan. On Ash Wednesday 2026 the choir will broadcast Choral Evensong live on BBC Radio 3.

Capital projects

A feasibility study has commenced to create a new student accommodation building in Jowett Walk. Conceptually, the building would provide single accommodation for approximately 40 students and partnered accommodation for 8 couples.

Plans to commence the next phase of refurbishment to student accommodation in Holywell Street from the summer of 2026 are being developed.

Trading income

The T S Eliot Lecture Theatre provides the College with first class facilities that are attractive to third party users. Merton Enterprises Ltd has been able to broaden its customer base following a restructuring of the conference office and proactive marketing of these facilities.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departure which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 5 November 2025 and signed on its behalf by:

Warden

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF MERTON COLLEGE

Opinion

We have audited the financial statements of Merton College (the "Charity") for the year ended 31 July 2025 which comprise the Statement of accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2025 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material mis-statement when it exists.

Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with Members of the Governing Body and other management, and from our knowledge and experience of the client's sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Office for Students and Oxford University requirements, taxation legislation, data protection, employment and pensions, planning and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and, where relevant, inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material mis-statement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Members of Governing Body and other management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgments and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims;

- if considered necessary, reviewing correspondence with relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Members of Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Gravita Audit Oxford LLP
Statutory Auditor
First Floor, Park Central, 40-41 Park End Street, Oxford, OX1 1JD

Date:

Gravita Audit Oxford LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

STATEMENT OF ACCOUNTING POLICIES

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College with its wholly owned subsidiaries Merton Enterprises Limited and Merton College No1 Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the College alone as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its material subsidiaries for the reporting year are in note 13.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular FRS 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgments and estimation of uncertainty

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Governing Body, in applying the accounting policies adopted, no judgments were required that have a significant effect on the amounts recognised in the financial statements.

In the view of the Governing Body, no assumptions concerning the future or estimation of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, office for student support and other charges for services

Fees receivable are recognised in the period in which the related service is provided and are stated net of any scholarships, bursaries or other allowances granted from the College's unrestricted funds, Office for Students support and charges for services and use of the premises.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognized following grant of probate and, once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognized when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure, including support costs and governance costs are allocated or apportioned to the application expenditure categories in the Statement of financial Activities (SOFA).

Support costs which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £5,000 together with expenditure on equipment costing more than £5,000 is capitalised.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

7. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Building improvements	20 years
Equipment	5 to 10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Heritage Assets

The College has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The College retains information concerning the cost or value on donation only for some of its heritage assets, but disclosure of this information would not give a fair picture of the total value of heritage assets held. The cost of obtaining fair values for the remaining heritage assets would not be commensurate with the benefits to users of the financial statements. Therefore, no cost or value is reflected in the financial statements for heritage assets.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

10. Other financial instruments

a. Derivatives
The College has not entered into any derivative contracts.

b. Cash and cash equivalents
Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

12. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

13. Foreign currencies

The functional and presentational currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

14. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its general endowment. The College can invest its general endowment without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

Other endowments are invested with Schroder & Co Ltd and Cerno Capital Partners LLP, which distribute on a total return basis.

15. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College.

They consist of ***either*** gifts where the donor has specified that both the capital and any income arising must be used for the purposes given ***or*** the income on gifts where the donor has required or permitted the capital be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long-term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

16. Pension Costs

The College participates in the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). These schemes are hybrid pension schemes, providing defined benefits as well as benefits based on defined contributions. The assets of each scheme are held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual employers and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other employers' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to each scheme and any deficit recovery contributions payable under a scheme Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 USS valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The College recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 22.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control such as the Universities Superannuation Scheme and OSPS. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The College is satisfied that USS and OSPS meet the definition of a multi-employer scheme.

Merton College
Consolidated Statement of Financial Activities
For the year ended 31 July 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2025 Total £'000**	2024 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		7,378	8	-	**7,386**	7,021
Other Trading Income	3	654	-	-	**654**	695
Donations and legacies	2	552	2,032	695	**3,279**	4,945
Investments						
Investment income	4	16	1,498	6,964	**8,478**	8,495
Total return allocated to income	14	10,318	-	(10,318)	**-**	-
Other income	4	2	-	551	**553**	4
Total income		**18,920**	**3,538**	**(2,108)**	**20,350**	21,160
EXPENDITURE ON:	5					
Charitable activities:						
Teaching, research and residential		18,587	1,709	153	**20,449**	18,058
Generating funds:						
Fundraising		669	-	-	**669**	562
Trading expenditure		507	-	-	**507**	553
Investment management costs		9	-	2,362	**2,371**	2,682
Total Expenditure		**19,772**	**1,709**	**2,515**	**23,996**	21,855
Net Income/(Expenditure) before gains		**(852)**	**1,829**	**(4,623)**	**(3,646)**	**(695)**
Net gains/(losses) on investments	11, 12	-	10	15,672	15,682	50,183
Net Income/(Expenditure)		(852)	1,839	11,049	**12,036**	49,488
Transfers between funds	18	203	(1,105)	902	**-**	-
Net movement in funds for the year		(649)	734	11,951	12,036	49,488
Fund balances brought forward	18	**24,531**	**7,295**	**375,725**	**407,551**	358,061
Funds carried forward at 31 July		23,882	8,029	387,676	**419,586**	407,549

Merton College
Consolidated and College Balance Sheets
As at 31 July 2025

	Notes	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
FIXED ASSETS					
Tangible assets	9	**17,945**	16,493	**17,945**	16,493
Property investments	11	**189,407**	186,905	**179,912**	177,410
Other Investments	12	**206,297**	196,116	**215,804**	205,640
Total Fixed Assets		**413,649**	399,514	**413,661**	399,543
CURRENT ASSETS					
Stocks		**389**	417	**385**	415
Debtors	15	**2,346**	1,852	**2,304**	1,675
Cash at bank and in hand		**6,044**	8,197	**5,649**	7,845
Total Current Assets		**8,779**	10,466	**8,338**	9,935
LIABILITIES					
Creditors: Amounts falling due within one year	16	**2,837**	2,419	**2,614**	2,162
NET CURRENT ASSETS		**5,942**	**8,047**	**5,724**	**7,773**
TOTAL ASSETS LESS CURRENT LIABILITIES		**419,591**	**407,561**	**419,385**	**407,316**
CREDITORS: falling due after more than one year	17	**5**	11	**5**	11
TOTAL NET ASSETS		**419,586**	**407,550**	**419,380**	**407,305**
FUNDS OF THE COLLEGE					
Endowment funds	18	**387,676**	375,725	**387,597**	375,674
Restricted funds	18	**8,028**	7,294	**8,028**	7,294
Unrestricted funds					
General funds		**5,724**	7,796	**5,597**	7,603
Fixed Asset fund		**17,945**	16,494	**17,945**	16,493
Graduate Scholarship Fund		**213**	241	**213**	241
Pension reserve	22	**-**	-	**-**	-
		419,586	407,550	**419,380**	407,305

The financial statements were approved and authorised for issue by the Governing Body of Merton College on 5 November 2025

Trustee: J S P

Trustee: C.A.H. Alexander

Merton College
Consolidated Statement of Cash Flows
For the year ended 31 July 2025

	Notes	2025 £'000	2024 £'000
Net cash provided by (used in) operating activities	24	**(11,665)**	(10,614)
Cash flows from investing activities			
Dividends, interest and rents from investments		**8,478**	8,494
Proceeds from the sale of property, plant and equipment		**-**	-
Purchase of property, plant and equipment		**(2,657)**	(1,103)
Proceeds from sale of investments		**4,513**	13,923
Purchase of investments		**(4,482)**	(10,850)
Net cash provided by (used in) investing activities		**5,852**	**10,464**
Cash flows from financing activities			
Receipt of endowment		**695**	1,637
Net cash provided by (used in) financing activities		**695**	**1,637**
Change in cash and cash equivalents in the reporting period		**(5,118)**	**1,487**
Cash and cash equivalents at the beginning of the reporting period		**34,972**	33,485
Cash and cash equivalents at the end of the reporting period	25	**29,854**	**34,972**

1 INCOME FROM CHARITABLE ACTIVITIES

	2025 £'000	2024 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,424	1,431
Tuition fees - Overseas students	1,349	1,150
Other Office for Students support	245	249
Other academic income	113	125
College residential income	4,247	4,058
	7,378	7,013
Restricted funds		
College residential income	8	8
	8	**8**
Total Teaching, Research and Residential	**7,386**	**7,021**
Total income from charitable activities	**7,386**	**7,021**

The above analysis includes £3,018k received from Oxford University from publicly accountable funds under the CFF Scheme (2024: £2,830k).

To Support the strategic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduates students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college shares of the fees waived amounted to £84k (2024: £57k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2025 £'000	2024 £'000
Donations and Legacies		
Unrestricted funds	552	598
Restricted funds	2,032	2,710
Endowed funds	695	1,637
	3,279	4,945

3 INCOME FROM OTHER TRADING ACTIVITIES

	2025 £'000	2024 £'000
Subsidiary company trading income	536	411
Subsidiary company farming income	118	284
	654	695

4 INVESTMENT INCOME

	2025 £'000	2024 £'000
Unrestricted funds		
Bank interest	16	22
	16	22
Restricted funds		
Equity dividends	1,304	1,346
Interest on fixed term deposits and cash	194	67
	1,498	1,413
Endowed funds		
Agricultural rent	1,252	1,209
Commercial rent	2,136	2,038
Other property income	693	682
Equity dividends	1,345	1,401
Income from fixed interest stocks	319	309
Interest on fixed term deposits and cash	1,145	1,405
Other investment income	69	11
Bank interest	5	5
	6,964	7,060
Total Investment income	**8,478**	**8,495**

During the year, the College recognised a one-off receipt linked to a planning settlement. Whilst the receipts are not part of the College's core investment revenue stream, they are disclosed under 'Other Income' to ensure transparancy. The College does not regard these receipts as recurring.

5 ANALYSIS OF EXPENDITURE

	2025	2024
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	8,169	6,053
Other direct costs allocated to:		
Teaching, research and residential	9,304	9,409
Support and governance costs allocated to:		
Teaching, research and residential	2,976	2,596
Total charitable expenditure	20,449	18,058
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	462	342
Investment management costs	400	278
Other direct costs allocated to:		
Fundraising	142	159
Trading expenditure	507	550
Investment management costs	1,935	2,365
Support and governance costs allocated to:		
Fundraising	65	61
Investment management costs	36	39
Total expenditure on raising funds	3,547	3,797
Total expenditure	23,996	21,855

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £387k (2024 - £347k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	**2025 Total £'000**	Generating Funds £'000	Teaching and Research £'000	**2024 Total £'000**
Financial administration	18	345	**363**	13	234	**247**
Domestic administration	6	98	**104**	8	136	**144**
Human resources	19	337	**356**	27	323	**350**
IT	53	940	**993**	39	672	**711**
Depreciation	-	1,202	**1,202**	-	1,129	**1,129**
Loss/(profit) on fixed assets	-	-	**-**	-	-	**-**
Bank interest payable	4	-	**4**	9	-	**9**
Other finance charges	1	21	**22**	1	65	**66**
Governance costs	-	33	**33**	6	37	**43**
	101	**2,976**	**3,077**	**103**	**2,596**	**2,699**

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.
Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.
Interest and other finance charges are attributed according to the purpose of the related financing.
Governance costs are attributed according to the estimated staff time spent on each activity.

	2025	2024
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	**33**	27
Auditor's remuneration - tax advisory services	**-**	-
Other governance costs	**-**	16
	33	43

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

7 GRANTS AND AWARDS

	2025 £'000	2024 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	536	679
Bursaries and hardship awards	49	5
Grants to other institutions	-	-
Total unrestricted	**585**	**684**
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	709	579
Bursaries and hardship awards	206	277
Grants to other institutions	-	-
Total restricted	**915**	**856**
Endowed funds		
Grants to other institutions	153	274
Total restricted	**153**	**274**
Total grants and awards	**1,653**	**1,814**

8 STAFF COSTS

	2025 £'000	2024 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	**7,629**	7,259
Social security costs	**842**	746
Pension costs:		
Continuation charges	**934**	965
Pension Provision Change (see note 22)	**-**	(1,929)
Other benefits	**478**	373
	9,883	7,414

	2025	2024
The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
Tuition and research	**43**	44
College residential	**91**	92
Fundraising	**6**	6
Support	**13**	13
Total	**153**	155

The average number of employed College Trustees during the year was as follows.

University Lecturers	**20**	18
CUF Lecturers	**7**	8
Other teaching and research	**11**	14
Other	**10**	10
Total	**48**	50

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met through unrestricted funds.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	**5**	3
£70,001-£80,000	**-**	1
£80,001-£90,000	**1**	-

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	**5**	3
In defined contribution schemes	**1**	1
The College contributions to defined contribution pension schemes totalled	**8**	9

9 TANGIBLE FIXED ASSETS

College and Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	**Total £'000**
Cost			
At start of year	34,216	3,727	**37,943**
Additions	2,535	120	**2,655**
Disposals	-	-	**-**
At end of year	**36,751**	**3,847**	**40,598**
Depreciation and impairment			
At start of year	18,666	2,784	**21,450**
Depreciation charge for the year	976	227	**1,203**
Depreciation on disposals	-	-	**-**
Impairment	-	-	**-**
At end of year	**19,642**	**3,011**	**22,653**
Net book value			
At end of year	**17,109**	**836**	**17,945**
At start of year	15,550	943	**16,493**

The above includes:
£0k (2024:£0k) of plant and machinery held under finance leases.
£11k (2024:£17k) of fixures and fittings held under finance leases.

During the year, the College operated a salary sacrifice Electric Vehicle (EV) scheme for its employees. The College has recognised a right-of-use asset and corresponding lease liability for the vehicles leased as part of the scheme. The right-of-use asset is depreciated over the lease term of 36 months.

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

The heritage assets held by the college comprise medieval manuscript books (328); medieval and early modern records of the college and its estates dating from the twelfth century (c10,000 pre-1800 items including deeds, surveys, court rolls, maps, and various other records); rare printed books (15th-19th centuries: c14,000; 20th-21st century: 3,500 rare editions and special copies); collections of personal papers (21 mixed-media collections); early astronomical instruments (5); 18th century globes (2); paintings, prints, and drawings (360); sculpture (23); historic table and chapel silver (16); miscellaneous historic furnishings (e.g. chests, clocks etc). Most new acquisitions are by gift or bequest. Criteria for decisions on whether to acquire heritage items include complementarity with existing collections, the intellectual appropriateness of the college as repository, and the ability of the college to house the collection appropriately and make it available to researchers. The college does not dispose of heritage assets.

Heritage assets are managed by the Fellow Librarian and the Domestic Bursar under the oversight of the Library and Archives Committee and the Sub-Committee on Pictures and Historic Chattels. There are four full-time professional librarians and a professional archivist is employed three days per week. The college is a member of the Oxford Conservation Consortium, a Charitable Incorporated Organisation, which employs eight conservators (three ACR Icon accredited) and others working towards accreditation, who provide preservation expertise and treatment of individual items. Specialist advice is sought when needed. Heritage items are housed in a number of locations throughout the college with special security, fire detection and fire suppression in the main storage areas. The environments of storage areas and rooms housing significant assets are regularly monitored and managed under the guidelines in PAS 198:2012 Specification for managing environmental conditions for cultural collections.

Records of heritage assets are held in a combination of electronic and hard-copy formats. These are freely available for research consultation either online or on site. The college maintains a programme of exhibitions onsite and loans items for display in the context of public exhibitions in the UK and abroad.

Various heritage assets have been acquired during the last five years including purchases amounting to £21.5k in the current year (2024: £6k).

Summary of heritage asset transactions	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Purchases					
Manuscripts & Books	17.0	-	-	13.1	-
Paintings	4.5	-	25.1	8.0	7.5
Donations					
Manuscripts and books	-	5.0	-	4.3	-
Paintings	-	1.0	-	-	-
Total additions	**21.5**	**6.0**	**25.1**	**25.4**	**7.5**

11 PROPERTY INVESTMENTS

Group

	Agricultural £'000	Commercial £'000	Other £'000	**2025 Total £'000**	2024 Total £'000
Valuation at start of year	121,040	46,438	19,427	**186,905**	152,272
Additions and improvements at cost	332	-	365	**697**	911
Disposals	(629)	-	(425)	**(1,054)**	(1,552)
Revaluation gains/(losses) in the year	1,439	1,283	138	**2,859**	35,274
Valuation at end of year	122,182	47,721	19,505	**189,407**	186,905

College

	Agricultural £'000	Commercial £'000	Other £'000	**2025 Total £'000**	2024 Total £'000
Valuation at start of year	121,041	36,942	19,427	**177,410**	142,777
Additions and improvements at cost	332	-	365	**697**	1,401
Disposals	(629)	-	(425)	**(1,054)**	(2,042)
Revaluation gains/(losses) in the year	1,439	1,283	137	**2,859**	35,274
Valuation at end of year	122,183	38,225	19,504	**179,912**	177,410

During the year, the College identified a presentation error in the comparative information disclosed in the financial statements. Certain amounts previously included within Note 11 have been redistributed between Property types to ensure consistency with the current year's presentation. This adjustment relates solely to the presentation of information and has no impact on the total income, expenditure, net movement in funds, or the balance of funds brought forward or carried forward for the prior year.

Estates land and property valuations as at the 31 July have been made by two independent firms of Chartered Surveyors with the basis of the valuation being market valuation. In a small number of cases the valuations have been made solely by the Land Agent, the basis of valuation being market valuation.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2025 £'000	2024 £'000
Group investments		
Valuation at start of year	**196,116**	182,289
New money invested	**4,104**	17,107
Amounts withdrawn	**(6,747)**	(18,189)
(Decrease)/increase in value of investments	**12,823**	14,909
Group investments at end of year	**206,296**	196,116
Investment in subsidiaries	**9,514**	9,514
plus: cash reserves within subsidiaries included in group figures above	**(6)**	10
College investments at end of year	**215,804**	205,640

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	**2025 Total £'000**	Held outside the UK £'000	Held in the UK £'000	2024 Total £'000
Equity investments	-	105,621	**105,621**	-	93,986	**93,986**
Global multi-asset funds	-	37,661	**37,661**	-	33,102	**33,102**
Fixed interest stocks	-	8,398	**8,398**	-	8,919	**8,919**
Alternative and other investments	20,589	10,217	**30,806**	22,699	10,635	**33,334**
Fixed term deposits and cash	12,887	10,923	**23,810**	14,236	12,539	**26,775**
Proceeds due from disposal of property	-	-	**-**	-	-	**-**
Total Group investments	33,476	172,820	**206,296**	36,935	159,181	**196,116**

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Merton Enterprises Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Merton College No. 1 Limited, an investment property company.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	2025 Parent College £'000	2025 Merton Enterprises Limited £'000	2025 Merton No. 1 Limited £'000	2024 Parent College £'000	2024 Merton Enterprises Limited £'000	2024 Merton No. 1 Limited £'000
Income	19,591	636	121	20,284	688	118
Expenditure	(23,600)	(423)	(43)	(21,230)	(455)	(67)
Donation to College under gift aid	252	(201)	(51)	135	(67)	(68)
Result for the year	(3,757)	12	27	(811)	166	(17)
Total assets	421,934	400	9,605	409,682	547	9,572
Total liabilities	(2,619)	(194)	(89)	(2,381)	(238)	(82)
Net funds at the end of year	419,315	206	9,516	407,301	309	9,490

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years.

The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	General Endowment			Restricted Endowments	**Total Endowments**
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Total £'000	**£'000**
At the beginning of the year:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	253,448	253,448	-	253,448
Restricted endowment funds	-	-	-	33,320	33,320
Total Endowments	**88,957**	**253,448**	**342,405**	**33,320**	**375,725**
Movements in the reporting period:					
Gift of endowment funds	-	-	-	695	695
Investment return: total investment income	-	7,515	7,515	-	7,515
Investment return: realised and unrealised gains and losses	-	12,878	12,878	2,794	15,672
Less: Investment management costs	-	(2,362)	(2,362)	(153)	(2,515)
Other transfers	-	-	-	902	902
Total	-	18,031	18,031	4,238	22,269
Unapplied total return allocated to income in the reporting period	-	(10,318)	(10,318)	-	(10,318)
Expendable endowments transferred to income	-	-	-	-	-
	-	(10,318)	(10,318)	-	(10,318)
Net movements in reporting period	**-**	**7,713**	**7,713**	**4,238**	**11,951**
At end of the reporting period:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	261,161	261,161	-	261,161
Expendable endowment	-	-	-	37,558	37,558
Total Endowments	**88,957**	**261,161**	**350,118**	**37,558**	**387,676**

15 DEBTORS

	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
Amounts falling due within one year:				
Trade debtors	**540**	436	**513**	269
Amounts owed by College members	**-**	4	**-**	4
Amounts owed by Group undertakings	**-**	-	**41**	59
Loans repayable within one year	**14**	14	**14**	14
Prepayments and accrued income	**1,594**	1,160	**1,538**	1,091
Other debtors	**5**	6	**5**	6
Amounts falling due after more than one year:				
Other debtors	**193**	232	**193**	232
	2,346	1,852	**2,304**	1,675

16 CREDITORS: falling due within one year

	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
Obligations under finance leases	**6**	6	**6**	6
Trade creditors	**1,545**	906	**1,532**	898
Amounts owed to College Members	**57**	23	**57**	22
Amounts owed to Group undertakings	**-**	-	**-**	-
Taxation and social security	**110**	47	**82**	9
Accruals and deferred income	**921**	1,247	**739**	1,046
Other creditors	**198**	190	**198**	181
	2,837	2,419	**2,614**	2,162

17 CREDITORS: falling due after more than one year

	2025 Group £'000	2024 Group £'000	2025 College £'000	2024 College £'000
Obligations under finance leases	**5**	11	**5**	11
	5	11	**5**	11

The College recognises a right-of-use asset and corresponding lease liability for vehicles leased as part of a salary sacrifice Electric Vehicle (EV) scheme. The lease liability represents the present value of future lease payments deducted from employees' salaries. Interest is accrued on the lease liat at a discount rate of 3.61%.

18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2024 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2025 £'000**
Endowment Funds - Permanent						
General Endowment	342,357	7,445	(2,298)	(10,318)	12,878	**350,064**
Fellowship and tutorship Funds:						
Baker Tutorial Support	1,007	25	-	-	85	**1,117**
Peter Braam Research Fellow	1,416	-	-	-	120	**1,536**
Chemistry Tutor	926	-	-	-	77	**1,003**
English Tutor	1,375	1	-	-	110	**1,486**
Law Tutor	627	5	-	-	48	**680**
Philosophy Tutor	1,199	-	-	-	99	**1,298**
Jessica Rawson Modern Asian History Tutor	1,059	-	-	-	87	**1,146**
Regius Professorship	-	185	(153)	-	-	**32**
Mark Reynolds History Tutor	1,912	-	-	-	157	**2,069**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	636	-	-	74	59	**769**
Peter Braam Scholar	424	-	-	-	36	**460**
John Barton BCL Scholar	149	-	-	-	12	**161**
Christopher Duggan Scholar	584	1	-	-	49	**634**
Roger Highfield Scholar	628	5	-	-	52	**685**
Charles Manby Scholar	488	-	-	-	41	**529**
Moussouris Rhodes Scholar	867	-	-	-	72	**939**
Other	101		-	-	8	**109**
Student Support Funds:						
Taylor Family Foundation	655	-	-	-	54	**709**
Reed Rubin Directors of music	763	-	-	-	63	**826**
Other	70	-	-	-	6	**76**
	357,243	**7,667**	**(2,451)**	**(10,244)**	**14,113**	**366,328**

Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,225	-	-	-	102	**1,327**
Douglas Algar Humanities Tutor	885	-	-	-	73	**958**
Economics Tutor	1,027	-	-	-	84	**1,111**
David Hay Medical Tutor	408	-	-	-	34	**442**
Christine Blackwell Classics Tutor	1,818	-	-	-	143	**1,961**
Library Fellowship	106	-	-	-	9	**115**
History Tutor	-	200	-	178	12	**390**
Chaplain	-	-	-	83	-	**83**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	820	-	-	147	83	**1,050**
David Stevens International Development S	460	-	-	-	38	**498**
Merton Lawyers BCL/Mjur Scholar	388	-	-	-	32	**420**
Merton-Oxford Scholar	561	-	-	-	46	**607**
Monica Barnett Law Scholar	166	-	-	-	14	**180**
John Moussouris Mathematics Scholar	662	-	-	-	55	**717**
Stringer Scholar	541	-	-	-	45	**586**
Buckee Scholarship	1,129	50	-	-	96	**1,275**
Harry Bush Scholarship	25	23	-	-	3	**51**
Graduate Scholarships	113	13	-	420	12	**558**
Other	31	-	-	-	2	**33**
Student Support Funds:						
General Student Support	2,439	57	-	-	201	**2,697**
Howard Stringer Undergraduate Support	1,233	-	-	-	102	**1,335**
Undergraduate Student Support	928	46	-	-	78	**1,052**
John Roberts	588	-	-	-	48	**636**
Thomas Bowman	325	-	-	-	31	**356**
Gerald David Clayton	815	-	-	-	68	**883**
Aruna & Arijit Chakraverty Bursaries	20	-	(21)	-	-	**(1)**
Choral Foundation	962	84	-	-	82	**1,128**
Compassionate Fund	355	-	-	-	31	**386**
Fitzhenry Biomedical Research Fund	151	-	-	-	14	**165**
Other Funds	250	-	-	-	21	**271**
	18,431	473	(21)	828	1,559	21,270
Total Endowment Funds - College	375,674	8,140	(2,473)	(9,416)	15,672	387,597
Endowment funds held by subsidiaries	51	70	(42)	-	-	**79**
Total Endowment Funds - Group	375,725	8,210	(2,515)	(9,416)	15,672	**387,676**
Restricted Funds						
Building Projects	2,431	268	-	(880)	(30)	**1,789**
Fellowship and Tutorship funds	622	687	(627)	-	7	**689**
Graduate scholarship and student prize funds	2,314	1,885	(623)	(221)	-	**3,355**
Students Support funds	880	304	(254)	-	33	**963**
Choir	529	263	(184)	-	-	**608**
Other funds	518	130	(20)	(4)	-	**624**
Total Restricted Funds - College	7,294	3,538	(1,709)	(1,105)	10	**8,028**
Restricted funds held by subsidiaries	-	-	-	-	-	**-**
Total Restricted Funds - Group	7,294	3,538	(1,709)	(1,105)	10	**8,028**
Unrestricted Funds						
General funds	7,603	5,509	(17,828)	10,322	-	**5,606**
Fixed Asset fund	16,493	2,456	(1,203)	199	-	**17,945**
Aidan Jenkins graduate scholarship fund	241	-	(28)	-	-	**213**
Pension reserve	-	-	-	-	-	**-**
Total Unrestricted Funds - College	24,337	7,966	(19,061)	10,521	-	23,764
Unrestricted funds held by subsidiaries	193	636	(711)	-	-	**118**
Total Unrestricted Funds - Group	24,530	8,602	(19,772)	10,521	-	23,882
Total Funds	407,549	20,350	(23,997)	-	15,682	**419,586**

	At 1 August 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2024 £'000**
Endowment Funds - Permanent						
General Endowment	299,175	7,009	(2,615)	(9,677)	48,465	**342,357**
Fellowship and tutorship Funds:						
Baker Tutorial Support	907	48	-	-	52	**1,007**
Peter Braam Research Fellow	1,340	-	-	-	76	**1,416**
Chemistry Tutor	878	-	-	-	48	**926**
English Tutor	1,302	2	-	-	71	**1,375**
Law Tutor	590	7	-	-	30	**627**
Philosophy Tutor	1,137	-	-	-	62	**1,199**
Jessica Rawson Modern Asian History Tutor	1,004	-	-	-	55	**1,059**
Regius Professorship	-	274	(274)	-	-	**-**
Mark Reynolds History Tutor	1,812	-	-	-	100	**1,912**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	601	-	-	-	35	**636**
Peter Braam Scholar	402	-	-	-	22	**424**
John Barton BCL Scholar	141		-	-	8	**149**
Christopher Duggan Scholar	570	3	-	-	11	**584**
Roger Highfield Scholar	589	6	-	-	33	**628**
Charles Manby Scholar	462	-	-	-	26	**488**
Moussouris Rhodes Scholar	821	-	-	-	46	**867**
Other	96	-	-	-	5	**101**
Student Support Funds:						
Taylor Family Foundation	620	-	-	-	35	**655**
Reed Rubin Directors of music	723	-	-	-	40	**763**
Other	65	1	-	-	4	**70**
						-
	313,235	7,350	(2,889)	(9,677)	49,224	357,243
Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,160	-	-	-	65	**1,225**
Douglas Algar Humanities Tutor	838	-	-	-	47	**885**
Economics Tutor	974	-	-	-	53	**1,027**
David Hay Medical Tutor	386	-	-	-	22	**408**
Christine Blackwell Classics Tutor	1,727	-	-	-	91	**1,818**
Library Fellowship	100	-	-	-	6	**106**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	772	-	-	-	48	**820**
David Stevens International Development S	436	-	-	-	24	**460**
Merton Lawyers BCL/Mjur Scholar	368	-	-	-	20	**388**
Merton-Oxford Scholar	535	-	-	-	26	**561**
Monica Barnett Law Scholar	157	-	-	-	9	**166**
John Moussouris Mathematics Scholar	627	-	-	-	35	**662**
Stringer Scholar	512	-	-	-	29	**541**
Buckee Scholarship	-	1,129	-	-	-	**1,129**
Harry Bush Scholarship	-	25	-	-	-	**25**
Other	128	9	-	-	7	**144**
Student Support Funds:						
General Student Support	2,284	29	-	-	126	**2,439**
Howard Stringer Undergraduate Support	1,168	-	-	-	65	**1,233**
Undergraduate Student Support	832	50	-	-	46	**928**
John Roberts	556	1	-	-	31	**588**
Thomas Bowman	305	-	-	-	20	**325**
Gerald David Clayton	772	-	-	-	43	**815**
Aruna & Arijit Chakraverty Bursaries	20	40	-	(41)	1	**20**
Choral Foundation	900	13	-	-	49	**962**
Compassionate Fund	336	-	-	-	19	**355**
Fitzhenry Biomedical Research Fund	142	-	-	-	9	**151**
Other Funds	255	-	-	-	(5)	**250**
	16,290	1,296	-	(41)	886	18,437
Total Endowment Funds - College	329,525	8,646	(2,889)	(9,718)	50,110	375,680
Endowment funds held by subsidiaries	67	51	(67)	-	-	**51**
Total Endowment Funds - Group	329,592	8,697	(2,956)	(9,718)	50,110	**375,725**

Restricted Funds						
Building Projects	1,177	1,212	(3)	(3)	48	**2,431**
Fellowship and Tutorship funds	641	669	(692)	-	4	**622**
Graduate scholarship and student prize funds	1,553	1,229	(468)	-	-	**2,314**
Students Support funds	853	312	(347)	41	21	**880**
Choir	324	498	(229)	(64)	-	**529**
Other funds	421	211	(44)	(70)	-	**518**
Total Restricted Funds - College	4,969	4,131	(1,783)	(96)	73	7,294
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	4,969	4,131	(1,783)	(96)	73	7,294
Unrestricted Funds						
General funds	8,358	7,644	(16,554)	8,155	-	**7,603**
Fixed Asset fund	16,519	-	-	(26)	-	**16,493**
Aidan Jenkins graduate scholarship fund	444	-	-	(203)	-	**241**
Pension reserve	(1,888)	-	-	1,888	-	-
Total Unrestricted Funds - College	23,433	7,644	(16,554)	9,814	-	24,337
Unrestricted funds held by subsidiaries	67	688	(562)	-	-	**193**
Total Unrestricted Funds - Group	23,500	8,332	(17,116)	9,814	-	24,530
Total Funds	358,061	21,160	(21,855)	-	50,184	407,550

19 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:	
General Endowment Fund	Corporate capital, including founder's capital, whose income may be spent for general purposes.
Fellowship and Tutorship, Graduate scholarships, student support funds and Reed Directors of Music	Donations made for perpetuity, whose income may be spent for the restricted purpose described.
Endowment Funds - Expendable:	
Fellowship and Tutorship Funds	Donations made for the long term, whose income and capital may both be spent for the restricted purposes described.
Graduate Scholarship and Student Prize Funds:	
Student Support Funds	
Choral Foundation	
Compassionate Fund	
Fitzhenry Biomedical Research Fund	
Restricted Funds:	
Building Projects	Donations made for specific College building projects before completion. Funds are transferred to the Building Project Fund within Unrestricted Funds once the building has been completed.
Fellowship and Tutorship Funds	Unspent income generated from the permanent and expendable endowments above
Graduate Scholarships and Student Prize Funds	and donations made for restricted purposes which the trustees may spend at their discretion.
Student Support Funds	
Choir	
Designated Funds	
Fixed Assets Fund	Represents the original cost less accumulated depreciation of the College's fixed assets.
Aiden Jenkins Graduate Scholarship fund	Represents an unrestricted donation received and designated by the Trustees for a graduate scholarship less accumulated costs of scholarships.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

Agreement between donors and the College was reached in the year to enable the repurpose of £681k (2024: £Nil) from Restricted Building Project Funds to Endowment Tutorship and Studentship funds.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2025 Total £'000**
Tangible fixed assets	17,945	-	-	**17,945**
Property investments	-	-	189,408	**189,408**
Other investments	-	8,029	198,268	**206,297**
Net current assets/(liabilities)	5,942	-	-	**5,942**
Long term liabilities	(5)	-	-	**(5)**
	23,882	8,029	387,676	**419,587**

Prior Year Analysis of Net Assets Between Funds	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2024 Total £'000**
Tangible fixed assets	16,493	-	-	**16,493**
Property investments	-	-	186,904	**186,904**
Other investments	-	7,294	188,821	**196,115**
Net current assets/(liabilities)	8,047	-	-	**8,047**
Long term liabilities	(11)	-	-	**(11)**
	24,530	7,294	375,725	**407,549**

21 TRUSTEES' REMUNERATION

The Trustees of the College are the members of the Governing Body, primarily those Fellows who are employed to undertake teaching and research and who sit on Governing Body by virtue of their employment.

No Fellow receives any remuneration for acting as a Trustee. However, those Fellows who are also employees of the College receive salaries in respect of their employment. In the case of teaching and research posts, salaries are set with reference to pay scales applying nationally within the higher education sector and within the University of Oxford. Salaries are determined in all cases by the Governing Body on the basis of recommendations made by the remuneration committee, whose composition is described in the Annual Report of the Governing Body.

Trustees of the College fall into the following categories:
(i) The Warden, who is the Head of College and chairs meetings of the Governing Body and its committees;

(ii) Official Fellows, who are elected to the office of Tutor, Bursar, Librarian, Chaplain, Development Director or other office of the College;
(iii) Professorial Fellows, who are senior members of the University of Oxford;
(iv) Fixed-term research Fellows, who may be either junior career-development employees of the College, or senior academics who are not employed by the College.

College Officers and career-development research Fellows may be accommodated by the College. 35 Fellows (2024: 33) were accommodated in houses, flats or rooms owned by the College during the year. Fellows who are eligible for accommodation but who are not accommodated are paid a housing allowance, which is included within the salary figures below.

Some Fellows receive allowances for work carried out as part-time College Officers, including the Sub Warden, Principal of Postmasters and Research Convener. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits included below is £2,416k (2024: £2,494k). The total of pension contributions is £281k (2024: £342k).

Remuneration paid to trustees

	2025		2024	
Range	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees / Fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£0-£5,000	2	6,373	3	4,123
£5,001-£10,000	7	50,904	2	15,323
£10,001-£15,000	1	27,357	2	27,297
£15,001-£20,000	1	19,955	1	16,004
£20,001-£25,000	3	43,568	2	48,310
£25,001-£30,000	7	193,940	11	305,100
£30,001-£35,000	3	94,276	3	96,099
£35,001-£40,000	2	72,481	1	38,514
£40,001-£45,000	2	82,583	4	168,228
£45,001-£50,000	8	381,053	6	282,307
£50,001-£55,000	1	50,627	1	54,853
£55,001-£60,000	1	56,749	1	58,443
£60,001-£65,000	3	186,038	3	184,977
£65,001-£70,000	2	132,864	0	-
£70,001-£75,000	0	-	1	73,306
£75,001-£80,000	0	-	0	-
£80,001-£85,000	1	81,860	2	163,464
£85,001-£90,000	2	176,594	1	85,303
£90,001-£95,000	0	-	1	90,138
£95,001-£100,000	1	99,135	0	-
£100,001-£105,000	0	-	0	-
£105,001-£110,000	0	-	1	107,032
£110,001-£115,000	1	114,724	1	112,752
£115,001-£120,000	0	-	3	352,343
£120,001-£125,000	3	369,374	0	-
£125,001-£130,000	1	127,877	1	126,304
£130,001-£135,000	0	-	0	-
£135,001-£140,000	0	-	1	136,607
£140,001-£145,000	0	-	0	-
£145,001-£150,000	0	-	1	147,766
£150,001-£155,000	1	151,968	1	154,099
£155,001-£160,000	0	-	0	-
£160,001-£165,000	0	-	0	-
£165,001-£170,000	0	-	0	-
£170,001-£175,000	0	-	0	-
£175,001-£180,000	1	176,784	0	-
Total	54	2,697,083	54	2,848,692

11 Fellows (2024: 9) were not employed by the College during the year and did not receive any remuneration. All Fellows and all permanent employees of the college are eligible for private health insurance. All Fellows may take meals in College, together with all employees, who are entitled to take meals whilst working.

Trustee expenses

No Fellow claimed any expenses for work as a trustee

Other transactions with trustees

There were no other transactions between the College and Fellows or related parties.

See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management, including employer's national insurance contributions, was £2,971k (2024: £3,104k).

Key management are considered to be the Trustees of the College.

22 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The College has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

Schemes accounted for under FRS 102 as defined contribution schemes

Deficit Recovery Plans

For USS, a deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a 'technical provisions' basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account in the prior year. The latest available complete actuarial valuation of the Retirement Income Builder, the defined benefit part of the scheme, is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

Assumption	
Price Inflation - Consumer Prices Index (CPI)	3.0% p.a.(based on a long-term average expected level of CPI, broadly consistent with long-term market expectations).
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Discount Rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.
Pension increases (all subject to floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5% and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2025	2024
· Males Currently aged 65 (years)	23.8	23.7
· Females currently ages 65 (years)	25.5	25.4
· Males currently aged 45 (years)	25.7	25.6
· Females currently aged 45 (years)	27.2	27.2

University of Oxford Staff Pension Scheme

The University of Oxford Staff Pension Scheme (OSPS) is a multi-employer hybrid scheme set up under trust and sponsored by the University. It is the pension scheme for support staff at the University, participating colleges and other related employers. New members joining the scheme build up benefits on a defined contribution basis. Members who joined before 1st October 2017 build up benefits on a career average revalued earnings basis.

The latest full actuarial valuation for the OSPS scheme was completed as at 31 March 2022. The funding position of this scheme has improved significantly moving from deficit of £113m to a surplus of £47m at the valuation date. As a result, the recovery plan agreed at the last valuation is no longer required and the deficit contribution ended on 30th September 2023. A provision of £36k was made at 31 July 2023 to account for deficit recovery payments up to 30th September 2023. A provision of £36k was made at 31 July 2023 (2022:£925k) to account for deficit recovery payments up to 30 September 2023. That remaining liability was released to the income and expenditure account in 2024.

The Trustee and the University have agreed a new contribution schedule which took effect from 1 October 2023 and takes account of the benefit improvements and changes to member contributions since the last valuation date. It was agreed that the scheme will meet its own running costs from the scheme's assets, including expenses relating to both the DB and DC Sections and the cost of pension Protection Fund /other statutory levies.

The table below summarises the key actuarial assumptions. Further details of the assumptions are set out in the statement of funding principles dated

27 June 2023 and can be found at https://finance.admin.ox.ac.uk/osps-documents

Date of valuation:	31 March 2022
Value of liabilities:	£914m
Value of assets:	£961m
Funding surplus / (deficit):	£47m

The principal assumptions used by the actuary were:

Assumption	
Rate of interest (periods up to retirement)	Gilts' +2.25%
Rate of interest (periods after retirement)	Gilts' +0.5%
RPI	Break-even RPI curve less 0.5% pa pre-2030 and 1.0% pa post-2030
CPI	RPI inflation assumption less 1% pa pre-2030 and 0.1% pa post-2030
Pensionable salary increases	RPI +pa
Funding Ratios:	
Technical provision basis:	105%
Buy-out' basis:	62%

Non-financial assumptions:

Assumption	
Post-retirement mortality - base table	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Post-retirement mortality - improvements	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Recommended employer's contribution rate (as % of pensionable salaries):	16.5% DB for members from 01/10/2023 10% /12% /14% DC members in relation to 4% /6% /8% cost plan - from 01/10/2023
Effective date of next-valuation:	31 March 2025

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2025 £'000	2024 £'000
Universities Superannuation Scheme		
Continuation Charges	398	432
Pension provision change	-	(1,893)
University of Oxford Staff Pension Scheme		
Continuation Charges	526	520
Pension provision change	-	(36)
Other schemes – contributions	11	13
Total	935	(964)

23 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the companies under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

24 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2025 Group £'000	2024 Group £'000
Net income/(expenditure)	12,036	49,488
Elimination of non-operating cash flows:		
Investment income	(8,478)	(8,495)
(Gains)/losses in investments	(15,682)	(50,183)
Endowment donations	(695)	(1,637)
Depreciation	1,202	1,129
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in stock	28	98
Decrease/(Increase) in debtors	(494)	46
(Decrease)/Increase in creditors	418	828
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	-	(1,888)
Net cash provided by (used in) operating activities	**(11,665)**	(10,614)

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £'000	2024 £'000
Cash at bank and in hand	**6,044**	8,197
Endowment assets cash	**23,810**	26,775
Total cash and cash equivalents	**29,854**	34,972

26 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.	2025 £'000	2024 £'000
	-	-

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £475k (2024 - £2,025k).

28 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The College has made equity housing loans to the following Fellows who are employees on the basis the capital sums repayable are linked to the value of the property on which the loan is secured. These loans are repayable in full when the Fellow demits from office and are classified as property investments in the balance sheet.

	2025	2024
	£'000	£'000
Mr J Gloag	**-**	60
Dr P Thornton	**-**	-
Dr M Whitworth	**155**	155

During the year, the College entered into a contract to commission a painting at a cost of £10,000 from an artist who is a partner of a Trustee of the College. As at the 31 July 2025, £10,000 had been paid in respect of this transaction.

29 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly within the College's control.

30 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial position.

30 PRIOR YEAR COMPARATIVES

Consolidated Statement of Financial Activities for the Year ended 31 July 2024

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2024 Total £'000**
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	7,013	8	-	**7,021**
Other Trading Income	695	-	-	**695**
Donations and legacies	598	2,710	1,637	**4,945**
Investments				-
Investment income	22	1,413	7,060	**8,495**
Total return allocated to income	9,677	-	(9,677)	-
Other income	4	-	-	**4**
Total income	**18,009**	**4,131**	**(980)**	**21,160**
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	16,001	1,783	274	**18,058**
Generating funds:				
Fundraising	562	-	-	**562**
Trading expenditure	553	-	-	**553**
Investment management costs	-	-	2,682	**2,682**
Total Expenditure	**17,116**	**1,783**	**2,956**	**21,855**
Net Income/(Expenditure) before gains	**893**	**2,348**	**(3,936)**	**(695)**
Net gains/(losses) on investments	-	73	50,110	**50,183**
Net Income/(Expenditure)	893	2,421	46,174	49,488
Transfers between funds	137	(96)	(41)	-
Net movement in funds for the year	1,030	2,325	46,133	49,488
Fund balances brought forward	23,500	4,969	329,592	**358,061**
Funds carried forward at 31 July	24,530	7,294	375,725	407,549

31 PRIOR YEAR COMPARATIVES

Statement of Investment Total Return for the year ended 31 July2024

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	General Endowment			Restricted Endowments	**Total Endowments**
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Total £'000	**£'000**
At the beginning of the year:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	210,283	210,283	-	210,283
Restricted endowment funds	-	-	-	30,352	30,352
Total Endowments	**88,957**	**210,283**	**299,240**	**30,352**	**329,592**
Movements in the reporting period:					
Gift of endowment funds	-	-	-	1,637	1,637
Investment return: total investment income	-	7,060	7,060	-	7,060
Investment return: realised and unrealised gains and losses	-	48,464	48,464	1,646	50,110
Less: Investment management costs	-	(2,682)	(2,682)	(274)	(2,956)
Other transfers	-	-	-	(41)	(41)
Total	-	52,842	52,842	2,968	55,810
Unapplied total return allocated to income in the reporting period	-	(9,677)	(9,677)	-	(9,677)
Expendable endowments transferred to income	-	-	-	-	-
	-	(9,677)	(9,677)	-	(9,677)
Net movements in reporting period	**-**	**43,165**	**43,165**	**2,968**	**46,133**
At end of the reporting period:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	253,448	253,448	-	253,448
Expendable endowment	-	-	-	33,320	33,320
Total Endowments	**88,957**	**253,448**	**342,405**	**33,320**	**375,725**

THE WARDEN AND SCHOLARS OF THE HOUSE OR COLLEGE OF SCHOLARS OF MERTON IN THE UNI

England & Wales - Charity number 1139022

Accounts

MERTON
COLLEGE
OXFORD

Annual Report and Financial Statements
Year ended 31 July 2024

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MEMBERS OF THE GOVERNING BODY 1 August 2023 to 31 July 2024

The members of the Governing Body, who are Fellows of the College, are the College's charity trustees. The members of the Governing Body who served in office during the year or at the date of this Report are detailed below.

			1	2	3	4
1	Mr Charles Alexander		•	•	•	
2	Dr Jennifer Altehenger		•	•		
3	Professor Rhiannon Ash			•		
4	Dr Lindsay Baker	(appointed 01.09.2023)		•		
5	Professor Alan Barr		•	•		
6	Dr Kathryn Blackmon			•		
7	Dr Alice Brooke			•		
8	Dr Lucy Brookes	(appointed 01.10.2023)		•		
9	Dr Gwen Burnyeat	(resigned 01.01.2024)				
10	Professior Mindy Chen-Wishart	(resigned 30.09.2023)				
11	Mr Mark Coote				•	
12	Dr Helen Craske					
13	Dr Chloe Deambrogio					
14	Dr Daniela Dover			•		
15	Frater John Eidinow		•	•		
16	Professor Artur Ekert					
17	Professor Radek Erban			•		
18	Dr Hadleigh Frost					
19	Professor John Geddes					
20	Mr John Gloag		•			
21	Dr Jane Gover			•		
22	Professor Daniel Grimley		•			
23	Dr Matthew Grimley			•	•	
24	Professor Timothy Guilford			•		
25	Professor Steven Gunn			•		
26	Professor Matthew Higgins			•	•	
27	Professor Peter Holland					
28	Professor Simon Hooker			•		
29	Professor Ehud Hrushovski					
30	Professor Lorna Hutson					•
31	Dr Nicholas Irwin	(resigned 31.12.2023)				
32	Dr Xiangyu (Michael) Jie	(resigned 14.10.2023)				
33	Revd Canon Dr Simon Jones			•	•	
34	Dr Vatsal Khandelwal					
35	Professor Julian Knight			•		
36	Professor Madhavi Krishnan			•		

37	Professor Nathaniel Lane			•		
38	Professor Irene Lemos					
39	Mr Timothy Lightfoot		•	•		
40	Dr Alexander Lipp	(appointed 01.10.2023)				
41	Mr Andrew Mackie					•
42	Professor Ian Maclachlan		•	•		
43	Professor Richard McCabe			•		
44	Professor Alan Morrison		•	•		
45	Dr David Nadlinger	(appointed 01.10.2023)				
46	Professor James Newton			•		
47	Professor Béla Novák					
48	Professor David Paterson			•		
49	Professor Jennifer Payne	(Warden from 30.09.2023)	•	•	•	
50	Professor Jonathan Prag			•		
51	Dr Krishnan Ram-Prasad	(appointed 01.10.2023)				
52	Professor Thomas Richards			•		
53	Dr Martina Astrid Rodda	(appointed 01.10.2023)		•		
54	Professor Alexander Schekochihin			•		
55	Professor Alexander Scott			•	•	
56	Professor Helen Small		•			•
57	Dr Bassel Tarbush		•	•		
58	Professor Patricia Thornton			•		
59	Professor Naomi Waltham-Smith	(appointed 01.09.2023)		•		
60	Dr Julia Walworth			•	•	
61	Professor Hugh Watkins					
62	Prof Michael Whitworth			•	•	
63	Professor Sir Andrew Wiles					

The following Fellows were appointed as Tutors from 1 September 2024 and members of Governing Body on 9 October 2024:

Professor Samuel Fletcher
Dr Rory Gregson
Professor Stanislav Zivny (from 2 September 2024)
Dr Ted Tregear

During the year, the major activities of the Governing Body were carried out through four main committees (further details on these committees are provided in the Report of the Governing Body below). The membership of these committees is shown above for each Fellow.

1. Finance Committee
2. Warden & Tutors' Committee
3. Development & Alumni Relations Committee
4. Remuneration Committee

Early in the year, the College abolished the Graduate Committee. The responsibilities of the Graduate Committee were transferred to the Warden & Tutors' Committee.

COLLEGE SENIOR STAFF

The senior staff of the College were as follows for the year ended 31 July 2024:

Professor Jennifer Payne	Acting Warden until 29 September 2023, Warden from 30 September 2023
Professor Alan Morrison	Sub-Warden
Mr Charles Alexander	Finance Bursar
Mr Timothy Lightfoot	Domestic Bursar
Mr John Gloag	Estates Bursar & Land Agent
Revd Canon Dr Simon Jones	Chaplain (returned from leave on 6 January 2024)
Fra' John Eidinow	Dean & Keeper of the Statutes
Dr Jane Gover	Senior Tutor
Mr Mark Coote	Development Director
Dr Julia Walworth	Librarian

COLLEGE ADVISERS

Investment Managers

Legal & General, One Coleman Street, London EC2R 5AA

Schroder & Co. Limited, 31 Gresham Street, London EC2V 1QA

Cerno Capital Partners LLP, 34 Sackville Street, London W1S 3ED

Auditors

Critchleys Audit LLP, First Floor, Park Central, 40-41 Park End Street, Oxford OX1 1JD

Bankers

Barclays Bank plc, Oxford City, 54 Cornmarket Street, Oxford OX1 3HB

Solicitors

HCR Hewitsons, Elgin House, Billing Road, Northampton NN1 5AB

Mills & Reeve, 112 Hills Road, Cambridge CB2 1PH

Penningtons Manches, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Wilsons LLP, Alexandra House, St Johns Street, Salisbury SP1 2SB and, Lincoln's Inn Fields, London WC2A 3AA

Surveyors

Savills, Wytham Court, 11 Westway, Oxford OX2 0QL

Gerald Eve LLP, 72 Welbeck Street, London W1G 0AY

Other

Peninsula Business Services, 2 Cheetham Hill Road, Manchester M4 4FB

College address
Merton College, Merton Street, Oxford OX1 4JD

Website
www.merton.ox.ac.uk

REPORT OF THE GOVERNING BODY

Under the Charities Act 2011, the Governing Body presents its Annual Report for the year ended 31 July 2024, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Merton College is a charitable corporation founded as a self-governing community of scholars first in Malden, Surrey, and then in Oxford, by Walter of Merton, Lord Chancellor of England and Bishop of Rochester, with royal consent under statutes dated 1264 and 1274. The College's current statutes were approved by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923 on 15 July 2015. The full legal name of the College is 'The Warden and Scholars of the House or College of Scholars of Merton in the University of Oxford'. The term 'Fellows' latterly replaced 'Scholars', and the Fellows elected under Statute 4.2(a) of the College Statutes, together with the Warden, who is the head of the College, comprise the Governing Body of the College. The College registered with the Charities Commission on 15 November 2010 (registered number 1139022). Prior to that date the College was an exempt charity under section 3(5a) of the Charities Act 1993, as listed in Schedule 2(b) to that Act.

The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 5.

During the year 2022-23, the Governing Body undertook a process to identify and select a Warden to replace Professor Irene Tracey, selecting Professor Jennifer Payne as its new Warden at a meeting in Trinity Term 2023. Professor Payne was installed as the Warden on 30 September 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes approved in 2015 by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Archbishop of Canterbury. The Governing Body is self-appointing, and membership is subject to review and renewal every seven years and ceases with retirement from office.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by four main committees and thirty other ancillary or subsidiary committees, forums and panels (including standing appointment panels for research posts and panels which meet ad hoc to deal with disciplinary and other matters).

Recruitment and training of members of the Governing Body

New Fellows are elected to the Governing Body on the basis of their knowledge of and contribution to education, learning and research within the College and the University of Oxford, or on the basis of their possession of professional and administrative qualifications and skills that will enable them to advise and assist other members of the Governing Body.

Recommendations concerning appointments to posts qualifying the holders for Fellowships are made to the Governing Body by committees convened specifically for the purpose and chaired by the Warden. Appointment committees include expert members recruited from outside the College, and academic appointments may be made by joint process with a faculty or department of the University of Oxford.

New members of the Governing Body are inducted into the workings of the College, including their role as trustees and Governing Body policies and procedures by the senior staff of the College, are provided with written reference material explaining their roles, and may attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements. All members of the Governing Body are briefed annually on the duties of trusteeship and provided

with other relevant regulatory briefings.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College other than as provided for by the Statutes of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which are Fellows not employed by the College and external members. Where practical, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior College staff is set by the Governing Body on the advice of the Remuneration Committee in line with market norms.

Organisational management

The Governing Body meets at least nine times a year. The work of developing and monitoring the implementation of its policies is mostly carried out by four committees, described below.

Finance Committee

The Committee is responsible for advising the Governing Body on all matters concerning finance, financial administration, investment, accounting and risk management. The Committee is also responsible for the administration of the terms and conditions of employment of non-academic staff and academic staff who are not members of Governing Body (the Remuneration Committee is responsible for members of Governing Body, and employment issues may also be considered by the Equality Forum). The Committee is chaired by the Warden and has up to fourteen members, including up to three members with relevant skills who are not members of the Governing Body and include the College Accountant. It meets at least six times each year. There is an Investment Sub-Committee consisting of four members of the Governing Body, including the Warden and up to five members who have relevant professional skills and experience and who are not members of the Governing Body.

Academic Committee ('Warden & Tutors' Committee')

The Warden and Tutors' Committee has delegated authority to make and enforce regulations on all matters concerning junior members, including their academic work, welfare, recreational use of College facilities, and disciplinary matters. The Committee reports to the Governing Body its decisions on all matters of principle on these topics and makes recommendations to the Governing Body on other relevant matters, including

material changes to the range and focus of educational activities.

The Committee is chaired by the Warden and its more than thirty members include the Senior Tutor, the subject Tutors, the Finance and Domestic Bursars, the Dean & Keeper of Statutes, the Librarian, the Chaplain and the Academic Registrar. The Committee meets at least twelve times each year. Undergraduate and graduate representatives are entitled to attend the Committee's meetings during the unreserved agenda. Subsidiary committees are responsible for considering student discipline, teaching needs, and student support.

Development and Alumni Relations Committee

The Committee is responsible for the oversight and co-ordination of fundraising and alumni relations activities undertaken by the College, for the recommendation of policy on fundraising and alumni relations, and for the consideration of matters concerning the external relations of the College. It also has responsibility, delegated from Governing Body, for the acceptance of gifts below a £500,000 threshold, with gifts above this amount accepted by Governing Body. The Committee is chaired by the Warden and has fourteen members, including the Development Director, two student representatives and three other members with relevant skills and experience who are not members of the Governing Body. It meets at least three times each year.

Remuneration Committee ('Committee on Stipends and Allowances')

The Committee is responsible for making recommendations to the Governing Body concerning the remuneration and benefits of any member of the Governing Body who is employed by the College, or any College Officer who is not a member of the Governing Body. There are seven members of the Committee, no member of the Committee may be an employee of the College, and the chair and three other members may not be members of the Governing Body. The Committee usually meets once annually or otherwise as required.

The Governing Body agreed to create a new Audit Committee at its meeting in Trinity Term 2023. The new committee will be made up of three external members, one of which will chair the committee, and two members of Governing Body. The first meeting of the new committee will be in Michaelmas Term 2024.

Other Committees

Apart from the main committees, there are committees devoted to specific areas of College life including Chapel and Patronage, Garden and Grounds, Library, and Sports. The Domestic Committee oversees all the domestic arrangements of the College. There are student representative members on most of these committees. The Research Committee and the Buildings Committee were abolished during the year and their functions transferred to other College Committees as appropriate.

The Statutes & Bylaws Committee is tasked with reviewing the statutes, bylaws, regulations and policies of the College and usually meets three times a term. The Fellowship & Appointments Committee is tasked with making recommendations to Governing Body concerning election of Fellows and other appointments. It meets at least once a term.

The Warden has responsibility under the College Statutes for supervising the day-to-day running of the College, supported by the Sub-Warden, Senior Tutor, Tutors, Bursars, Chaplain, Dean & Keeper of the Statutes, Librarian and Development Director. The Warden attends meetings of nearly all the Governing Body's Committees.

During the course of the year, the College engaged with the Charity Commission in reflecting on the College's processes of governance, as did other Oxford colleges. This process is ongoing.

Group structure and relationships

The College administers many special funds as detailed in the notes to the financial statements.

The College has a wholly owned non-charitable subsidiary, Merton Enterprises Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton Enterprises Limited comprise letting of the College facilities and merchandise sales.

The College has a wholly owned non-charitable subsidiary, Merton College No. 1 Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton College No. 1 Limited comprise the purchase, development and sale of land and property.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects for the public benefit are: to advance education, learning, research, and religion through the provision of a college in Oxford or elsewhere.

The College's Aims for the public benefit are to achieve the highest outcomes in education, learning and research at national and international level; and to maintain the College Chapel as a place of public worship pursuing the highest standards of liturgical, homiletical, and musical excellence.

The Aims for the College's subsidiaries are to help finance the achievement of the College's Objects.

Activities of the College

The College's principal activity is the advancement of education and learning, through provision of teaching and educational support, to approximately 600 resident undergraduate and graduate students who have been admitted as members of the College and who are engaged on a course of studies leading to the award of a degree in the University of Oxford, through the appointment or employment of Fellows and academic staff who are actively engaged in research, through the provision of accommodation and support facilities and through the provision of research grants to Fellows and students.

Public benefit

The Governing Body intends that the benefits of education and learning provided by the College should be available to the widest possible range of suitably qualified candidates, irrespective of background, and takes careful note of the guidance provided by the Charity Commission on public benefit, the advancement of education and fee-charging.

To this end, the College participates with the University of Oxford and other colleges and institutions in Oxford in an access bursary scheme to provide financial assistance to eligible home undergraduate students.
See http://www.ox.ac.uk/students/fees-funding/ for details of the Oxford Bursary Scheme.

In order to encourage applications from excellent students who might not otherwise consider applying for admission to the College, the College employs a Schools Liaison and Access Officer and operates an outreach programme, including schools' visits, visits to the College, open days and provision of information, to establish and maintain contact with schools, school teachers and students.

The College retains a team of welfare and medical advisers, who provide support and confidential counselling to students and staff who are distressed or who have special needs, and who may authorise grants and funding for referrals for specialist professional treatment or advice.

Students are provided with opportunities to contribute to College policies and practices, through participation in College committees, through formal and informal interaction with College Officers and Fellows, and through voluntary surveys and assessment processes.

The College operates student support funds which may be used to make grants to any student in financial hardship, including grants to supplement funding shortfalls and grants for special academic needs.

The College provides scholarship funds to graduates and makes grants to all students for books and equipment and travel and other research related activities.

The College provides residential accommodation for approximately 300 undergraduates and 170 graduates.

The Equality Forum comprises seven members drawn from the Governing Body, four student members, seven staff members (a College Lecturer, the HR Manager, the Academic Registrar, the Schools Liaison & Access Officer, the Student Support Administrator, and two non-academic employees of the College who are not members of GB) and one external member. The Forum considers and makes recommendations concerning equality in all aspects of College life, including admission of students and student provision and progress, as well as employment issues. The Governing Body appoints one of its members as Equality Adviser.

The College is normally open to the public during visiting hours throughout most of the year. Chapel services are open to members of the public.

ACHIEVEMENTS AND PERFORMANCE

Undergraduate students

322 students were enrolled for undergraduate degree courses at the University of Oxford during the year. Of these, 265 were home (UK) students and 57 were overseas (including in the EU). 185 were studying humanities and social sciences subjects and 137 were studying mathematics, medicine and physical sciences. 109 undergraduates held College scholarships or exhibitions during the year.

91 undergraduates took Final Honour Schools examinations at the University of Oxford in 2023. Of the 91 finalists, three took degrees classified by pass/distinction outcomes on the MSc-level year, with all three obtaining distinctions. Of the 88 students classified for first-class, 2.1, or 2.2 degrees, 44 (50%) achieved firsts (up from 41.9% in 2023), 43% (48.9%) achieved 2.1s (down from 54.1%) and one (1.1%) achieved a 2.2 degree (down from 4.1% in 2023). No students obtained a third.

Graduate students

190 graduate students were enrolled for research study leading to the DPhil degree at the University of Oxford during the year, of whom 52 were studying humanities, 74 were studying mathematics and physical sciences, 26 were studying social sciences, and 37 were studying medical sciences.

84 students were enrolled for other graduate degrees at the University of Oxford, including the EMBA/MBA, BCL/MJur, MSc, MSt, MPhil, BPhil, Diploma, and 2nd BM.

39 graduates were awarded DPhil degrees and 50 graduates were awarded other graduate degrees during the year.

31 new graduates were elected to College scholarships during the 2023-24 academic year.

Scholarships, bursaries, grants and prizes

Expenditure during the year was as follows:

Undergraduates	
Oxford Bursaries	£60,434
Prizes	£31,807
Scholarships	£67,039
Other grants	£164,538
Graduates	
Scholarships	£1,022,555
Research and other grants	£20,835
All students	
Student support and book grants	£172,967

Welfare and disability support

The annual cost of staff time (Chaplain, Senior Tutor, Academic Registrar, College Nurse, Doctor and Junior Deans for Welfare) and other cost of welfare provision (including a contribution to the University Counselling Services) is of the order of £84K. 23.5% (140) of the total student population in 2023-24 (89 undergraduates and 51 graduates) had known disabilities or long term health conditions.

Schools Liaison and Access Activities

The College engaged in over 40 in-person and online schools liaison activities during the 2023-24 academic year reaching thousands of students, particularly in the south west of England (Merton's main regional link area). These were either Merton-only events or were held in conjunction with the University of Oxford or other Oxford or Cambridge colleges. Work continued with the South West Consortium (Merton College, Exeter College and Lady Margaret Hall) and this is expected to develop further in the coming years. Schools liaison activities included visits to schools and colleges, attending Higher Education Fairs, delivering workshops on different aspects of applications, offering taster lectures, and developing pupils' thinking and wider academic skills. Sessions were intended to raise educational aspirations, inform course choices, highlight the benefits of higher education (including studying at Oxford and Merton), and clarify Oxford application's processes. Three in-person open days were held (one in September and two in June), attracting over 4,000 visitors.

The College continued to develop its work with the Social Mobility Foundation, a UK-wide charity aiming to improve the social mobility of young people. In addition to online events, a 3-day residential visit to the College was held for a group of 31 year 12 students.

Library

The College Library provides support for teaching, learning, and research by members of the College and visiting researchers through resources, professional assistance, and through maintaining spaces conducive to productive study. The Library also contributes to the effective running of the College administration through management of records, archives, and provision of information. The Library and Archives Committee, which reports to Governing Body, has representation from Fellows, undergraduates, and postgraduates. Decisions about library services are informed by regular user experience surveys, and by informal communications. The College supports staff membership in professional organizations, and staff maintain awareness of best practice through participation in University and professional groups. The College is a member of the Oxford Conservation Consortium to provide professional care and advice in relation to heritage collections.

Timely access to printed books continues to be highlighted on the annual undergraduate survey as an 'essential' service, along with study space, and access to electronic resources. Library study spaces are used intensively and are supplemented with other rooms in College during the exam term. A total of 811 print books were acquired in 2023-2024 of which 88 were gifts. The library also participates in an initiative to co-ordinate the purchase of e-publications across the collegiate University. There were 11 accessions to the archives this year: Five gifts, five internal transfers, and one purchase.

The Library aims to care for special collections, archives, and heritage material to professional standards, to make them known to researchers and the public, and to make them physically accessible for research and for teaching. This year the Library received 96 research visits to consult heritage items. Staff responded to 361 written enquiries (of which 172 were research-related). The staffed information desk dealt with some 646 in-person enquiries this year.

Daily summer tours of the College were paused this year due to the closure of the historic library and the Chapel for refurbishment projects. Two special library exhibitions were held: 'Tolkien at Merton: Fellowship and Friendship' to mark the 50th anniversary of J R R Tolkien's death in September 2023; and 'Sandy Irvine: Everest 1924' to mark the 100th anniversary of the British Everest Expedition of 1924. The latter was viewed by 640 visitors. An international symposium 'Everest 1924: A Century in Review' was attended by c90 people on 27 April 2024. A digital copy of Irvine's Everest diary and a timeline of the 1924 expedition with images of items and artefacts from the Merton Sandy Irvine Archive will remain freely available on the internet as a resource for the future.

Fellows

Employment costs were, in respect of Teaching Fellows, £1,423K for the year; in respect of other teaching staff £546K for the year and in respect of Research Fellows and other Fellows (including stipends paid to part-time College Officers) £622K for the year.

Research grants of £214K were made to Fellows during the year.

The 51 academic Fellows on the College's Governing Body included 17 Mathematical, Physical and Life Scientists, 18 scholars in the Humanities, 9 in the Social Sciences and 7 in the Medical Sciences. The research interests of Fellows are described further at http://www.merton.ox.ac.uk/fellowsandresearch/fellows.shtml

Chapel

The Chaplain was on secondment as Interim Dean of Lincoln until the end of December 2023.

Daily public services were held in the College Chapel throughout the academic year. The main service of the week was on Sunday evening, and it attracted an average in-person attendance of 125. Choral services were also livestreamed. Thirty-three junior members from the College participated in the running of the Chapel.

In the Chaplain's absence, the Revd Canon Dr Victoria Johnson was Acting Chaplain. The Associate Chaplain assisted her, and the Chaplain on his return in January 2024. Three baptisms, six confirmations and four weddings took place in the Chapel. Most Chapel collections were donated to charitable causes, and in the year 2023-2024 Asylum Welcome, Charlie Waller Memorial Trust, Oxford Parent Infant Project, Emmaus Oxford, Oxford Winter Night Shelter, Wolvercote Young People's Club, and Christian Aid were the recipients of these.

In relation to the building, work to install a new porch in the south transept began in July 2024 and is expected to finish in Michaelmas term 2024.

Choral Foundation

A full complement of 26 choral scholars, 5 graduate choral scholars, 1 choral bursary holder, and two organ scholars have contributed to the services in Chapel on Sundays, Tuesdays and Thursdays. On Mondays and Wednesdays, the services are sung by 24 girl choristers, who are drawn from ten different schools across Oxford. All choral services during the academic year were livestreamed through the College Choir's YouTube account.

The College Choir's concert schedule for the year began with a concert in the Copenhagen Baroque Festival, which was broadcast on Danish Radio. Further performances included Monteverdi's *Vespers of 1610* and Arvo Part's *Passio* in the College Chapel, and the world premiere of Gabriel Jackson's *The Christmas Story* at St John's Smith Square, London. The Choir joined The Cardinall's Musick to perform Tallis's *Spem in alium* as part of the Passiontide at Merton festival. In June, the Choir sang at the Ceremony at which the Empress of Japan received an Honorary Degree.

The Girl Choristers visited Exeter and Truro Cathedrals and Buckfast Abbey to sing concerts and services, and they joined the College Choir to record Gabriel Jackson's *The Christmas Story.* The College Choir also recorded an anthology of Edmund Rubbra's choral works, and works for choir and orchestra by Wesley, Elgar, Stanford, Ireland and Walton.

Capital projects

There were no major capital projects undertaken in 2023-24.

Within routine property expenditure, four Tutors' houses have been refurbished at 4, 6 & 10 Manor Road and 97 Holywell Street, along with 100 Holywell Street that was let to a tenant. A major programme of external decoration was completed in Fellows' Quad and the food servery counters in Hall and SCR were replaced. As part of the ongoing programme to reduce energy consumption, double-glazing was installed in 15 student properties in Manor Place.

The refurbishment of the Warden's Lodgings and garden at 19 Merton Street has commenced as has the refurbishment of student accommodation in Rose Lane 4 and Mure staircase, including the renewal of a copper roof. A major programme of stone repair work has commenced in Patey's Quad and the south elevation of Fellows' Quad. Repairs to a section of the city wall are ongoing.

Fundraising

The financial year 2023-24 brought sustained momentum within fundraising, alumni engagement and events, with, once again, an encouraging percentage of donor participation. The installation of a new Warden and a busy schedule of activities and visits resulting from that, and organised by the Development & Alumni Relations Office, brought many alumni together throughout the academic year.

A number of appeals were completed, in some part due to collective giving through alumni syndicates. The campaign to preserve the Upper Library's medieval stained-glass windows was successfully concluded in the autumn of 2023, and this was followed in 2024 by the Sandy Irvine Centenary Exhibition (fully funded) and a 10th anniversary appeal in

support of the Dobson Organ (fully funded). Donations to fund Graduate scholarships continued to attract strong support, with the completion of a full D. Phil scholarship for a Ukrainian refugee student and a new D. Phil scholarship in Law.

The College launched the Weston Earth Scholarships, enabled through grant funding from the Hilary & Galen Weston Foundation, to provide opportunities for students to undertake research on sustainability and the environment across a range of academic disciplines, with the first two Weston Earth Scholars starting at Merton in Michaelmas term 2024. A Buckee Graduate Scholarship in Physics was fully endowed, qualifying for matched funding from the University, and the College's third Reach Scholarship, for undergraduates from low-income countries, was fully funded by an alumnus. The Merton Choir continued to receive significant funding from a US-based Foundation.

A two-week Telethon campaign in March 2024 raised almost £200,000 in new gifts and pledges, a result consistent with previous years, and there was significant support from both MCR newcomers and JCR leavers who contributed – by the magnitude of 97% uptake – towards a Posterity Gift and Leavers' Gift respectively. Both gifts received matched funding from two alumni.

During the year, the College received £4.945 million in donations and legacies. Of the overall cash donated, £0.380 million was received in respect of Fellowships (teaching and research), £2.051 million towards Graduate Scholarships, £0.150 million in respect of Student Support and the Student Experience, £1.183 million for buildings projects, and £0.583 million for other purposes. £0.598 million was received in unrestricted donations. A total of £3.335 million was pledged in new funds whilst an additional £494,000 was credited by the University's Graduate Endowment Matched Funding Scheme (GEMS).

The College is registered with the Fundraising Regulator and employs full-time professional staff in the Development Office to act on its behalf in this area and to ensure that it is compliant with the Code of Fundraising Practice. The College, once again, did not receive any complaints relating to its fundraising activities

FINANCIAL REVIEW

Total income for the year, £21.16 million, was £4.59 million higher than the preceding year, which resulted from increases in donations and legacies (£3.01 million), charitable activities income (teaching, research and residential) (£0.36 million), trading income (£0.202 million) and investment income (£1.01 million).

Total expenditure was £21.86 million, an increase of £2.81 million. Following the latest valuation of the University Superannuation Scheme (USS) the scheme was in surplus on a technical provision bases, resulting in the College no longer being required to make deficit recovery contributions and releasing the outstanding provision £1.85 million (2023 £0.39 million). The Oxford Staff Pension Scheme, following its valuation of March 2022, returned to surplus bringing an end to the deficit recovery contributions resulting in a release of the remaining associated pension liability to £0.04 million (2023: £0.83 million). These savings were offset by increases in maintenance costs (£1.58 million) as the College enters a programme of maintenance works throughout the College estate, including works on the City wall, repairs to stonework around the College estate, including quads, and student accommodation. Legal and professional fees increased £0.60 million in part because of the legal costs associated with the College's development plans in Yarnton and review of the proposed College involvement in the Botley West Solar Farm. Farming expenditure increased to £0.33 million and the College made grants to the University of Oxford of £0.27 million relating to the endowment of the Regius Professorship of Mathematics (which is attached to the College). Expenditure on IT projects increased £0.16 million, including upgrades to the fibre network.

Net income showed a deficit of £0.70 million, compared with a deficit of £2.47 million in the preceding year. Net gains on investments were £50.18 million compared to losses of £2.96 million in 2022-23. Total funds and net assets increased to £407.55 million from £358.06 million.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its financial obligations in the event of an unexpected revenue shortfall and to provide a buffer that would ensure uninterrupted services.

Free reserves at the year-end amounted to £7.80 million (2023: £8.43 million), representing net current assets less creditors falling due after more than one year and designated reserve.

The College's target is to maintain free reserves of at least two to four months of expected expenditure. Year-end free reserves represented over five months of

expected expenditure.

Total funds of the College and its subsidiaries at the year-end amounted to £407.5 million (2023: £358.06 million). This figure includes endowment funds of £375.73 million and unspent restricted funds totalling £7.29 million. Designated reserves at the year-end comprised of the book value of tangible fixed assets of £16.49 million to be spent over their useful economic lives and £0.24 million representing an unrestricted donation received and designated by the trustees for a graduate scholarship to be spent over the next ten to twenty years.

Going concern

The Governing Body has considered whether to adopt the going concern basis in preparing these financial statements. In support of this, it has received several briefings on the College's finances from the Finance Bursar. The College has a healthy cash position, owns substantial endowed resources, enjoys healthy levels of demand from prospective students, and is ready and able to constrain expenditure growth if necessary. The Governing Body is therefore confident that the College has more than adequate resources to continue its activities for the foreseeable future and considers that there are no uncertainties concerning the College's viability.

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that robust systems are in place to manage these risks. During the year, the College undertook an in-depth review of the risks it faces, and the controls and mitigations in place to manage these risks. The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are listed below:

Principal risks related to:

- Cyber-attack and shared IT infrastructure
- Welfare roles and responsibilities
- Buildings and maintenance
- Data protection – data breaches
- Recruitment and retention challenges – non-academic staff
- Recruitment and retention challenges – academic staff
- Loss of College sense of community and shared endeavour
- Insufficient/inappropriate space within the operational estate

Emerging risks related to:

- Increasing student demand for College-funded welfare and disability support
- Imbalance between research and teaching time and increased use of non-permanent academic staff
- Governing Body and students' disparity of views on social and educational norms
- Effectiveness of decision-making structures
- Evolving fund-raising environment with potential for reduced donation income
- Climate change impact on property development
- Sustainability subsidy opportunity
- Opportunity for improved College facilities and use of space

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;
- Providing appropriate training to all members of staff and at the induction of new fellows;
- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;
- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and data & information security policies; and
- Ensuring the appropriate insurance policies are in place and reviewed regularly.

Climate Change

The College recognises the risks posed by climate change and is taking action across its operations, its estates and its investments to reduce its carbon footprint. During the year, the College's Sustainability Working Group met each term to discuss how to

assist in the development and implementation of the College's sustainability strategy. The Governing Body has accepted the working group's recommendation to adopt the University's target of net zero carbon and biodiversity net gain by 2035. The College has taken a number of steps to enhance sustainability and biodiversity across its activities, including measuring its current impacts, making its buildings more energy efficient, reducing consumption, achieving greater recycling and reducing waste, particularly food waste, and increasing sustainable sourcing. On the College's estates, the College has completed a natural capital and biodiversity audit and is reviewing alternative land use strategies and government schemes to reduce carbon output from farming and develop carbon sequestration where possible. The College took vacant possession of one farm near Oxford and has implemented a number of government-supported schemes to enhance the biodiversity and carbon sequestration on the farm. In 2020, the College moved the entirety of its developed market listed equity portfolio to an ESG tilted tracker, thereby reducing the carbon emissions intensity of the portfolio by over 40%. In the year, the College adopted a similar approach to its emerging markets equity holdings, transferring the portfolio to a similarly tilted ESG tracker. The Sustainability Working Group, alongside the Investment Sub-committee, considered further enhancements to the College's investment policy to help achieve the College's sustainability goals. More details of all these initiatives can be found on the College's website.

As part of its goal to achieve net zero carbon by 2035, the College has begun reporting its carbon emissions. The College plans to develop the reporting of its emissions eventually to include emissions from its land estates and other investments as well as its operational estates across scopes 1, 2 and 3. At this time, the College is able to report on its scope 1 and 2 emissions for its operational estate as set out below for the year 2023-24:

Carbon Emissions (tCO^2e)

	2023-24
Scope 1 emissions	242.05
Scope 1 removals (1)	N/A
Scope 2 emissions	788.45
Scope 2 offset (2)	(788.45)

1) The College owns woodland, grassland and cropland that removes emissions from the atmosphere. The College aims to quantify this positive impact in future periods.

2) Scope 2 emissions are calculated based on the electricity the College uses (via actual or estimated meter readings) and conversion factors provided by the UK government. The College purchases all its electricity via a zero-carbon tariff; the table shows the calculated emissions and the offset separately.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future needs by:

- achieving a nominal return on investment sufficient to maintain or increase the real value of the investments and meet the spending objectives of the College; and

- delivering this objective within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. The College does not use a fixed formal benchmark but compares performance with a wide range of investment indices and investor performance data. The College has made a number of direct and indirect investments that have explicit or implicit socially responsible objectives; its Investment Policy, available on the College's website, includes the College's policy in relation to Socially Responsible Investment.

Investment strategy, policy and performance are monitored by the Finance Committee and its Investment Sub-committee.

At the year end, the College's aggregate long term investments totalled £383.0 million, of which £342.4 million was general endowment and the composition of which is shown in the notes to the financial statements.

The overall total investment return on the general endowment before external expenses was as follows:

Annualised total net return (in GBP) %

Merton College	18.6%
Global Equities	17.8%
UK Equities	13.5%
US Equities	22.2%
UK Gilts	5.8%
UK Index-Linked Gilts	2.0%

The returns on the general endowment reflect the College's asset allocation. Returns on its property investments, particularly its agricultural holdings, were strong in the period at 26.0% driven by the achievement of an outline planning permission for a development at Begbroke.

The carrying value of the preserved permanent capital (the trust for investment) and the amount of any unapplied total return available for expenditure was taken as the fair value of these funds as at 1 August 2002 (£88.956 million) together with the original gift value of all subsequent endowment received.

The Governing Body annually reviews the level and appropriateness of the unapplied total return allocated to income including a review of prospective investment returns, inflation and market risks. Any surplus arising during the year is reinvested in the College's general endowment.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this 3.5% is calculated on the average of the year-end values in each of the last five years. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

The Governing Body continues to consider how it can achieve the highest outcomes in education, learning and research at national and international level, and continues to review the size and shape of the College and encompassing matters of academic policy, governance and administration. College staff and students continue to contribute to the planning.

The College decided in 2021-22 to proceed with a new library, and has continued to plan for the new library through the course of 2023-24. The College is also undertaking a broader strategic review of its space needs, including student accommodation, teaching space, office space and other needs, which it expects to complete in 2024-25.

The College commissioned a survey to review the condition of all of its operational buildings and the results of this survey were received in 2023. The survey will inform a rolling ten-year maintenance plan to be agreed as part of the budget-setting process over the next several years.

The College continues to consider setting-up a pre-school nursery and plans for the nursery will form part of the strategic space review.

Admissions

Undergraduate applicants to Oxford are selected by the individual colleges working within a common framework to ensure that the same standards and practices apply consistently across subjects – see further:
https://www.ox.ac.uk/admissions/undergraduate/applying-to-oxford/decisions/common-framework

Overall application numbers across the University in 2023-24 were 23,111, a small decrease from the previous year (23,819).

Merton College received 712 applications, an increase from the previous year's figure of 663 applications in 2022-23. 108 offers were made, of which 8 were open offers. No deferred offers for a 2025 start were made.

For information on admissions at Merton compared with other colleges, see:
https://public.tableau.com/profile/sdma.oxford.university#!/

Data on ethnicity is not available to the College through the UCAS. Analysis is undertaken by the University Admissions Office retrospectively on behalf of all colleges, and can be found at:

https://www.ox.ac.uk/about/facts-and-figures/admissions-statistics/undergraduate-students/current/ethnicity

109 applicants to Merton declared a disability in their application, of whom 17 received an offer.

Postgraduate applicants are assessed by the relevant department or faculty and all those admitted are guaranteed a college place. Merton continues to attract substantially more applicants than it has places available.

Attracting the best students from the widest possible range of backgrounds requires more than financial support. Therefore, in the UK, the College continues to develop its schools liaison programme through a full-time staff member, and aims to appeal to all constituencies by improving and enhancing web-based and electronic media and communications. The College continues to develop its recruitment of graduate scholars collaboratively with the academic faculties and departments of the University of Oxford.

Choral Foundation

In the coming year, the College Choir will perform Mozart's *Requiem* in Merton College Chapel as part of the Oxford International Song Festival. Further concerts will take place in the Sheldonian Theatre, The Temple Church, London and the University Church in Oxford. In 2025, the Britten Sinfonia will begin a residency at Merton College which will see the Choir and the Britten Sinfonia broadcast live on BBC Radio 3 from the College Chapel in February 2025.

Capital projects

Two projects are in progress, with completion expected in 2024-25. Work on the boat house extension was delayed by the need for further ground investigations, and completion is expected by the start of 2025.

The work to replace the porch at the south entrance to the Chapel was also started in the year, to be finished during Michaelmas Term 2024.

Trading income

The T S Eliot Lecture Theatre provides the College with first class facilities that are attractive to third party users. Merton Enterprises Ltd has been able to broaden its customer base following a restructuring of the conference office and proactive marketing of these facilities.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departure which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 6 November 2024 and signed on its behalf by:

Warden

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF MERTON COLLEGE

Opinion

We have audited the financial statements of Merton College (the "Charity") for the year ended 31 July 2024 which comprise the Statement of accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with Members of the Governing Body and other management, and from our knowledge and experience of the client's sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Office for Students and Oxford University requirements, taxation legislation, data protection, employment and pensions, planning and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and, where relevant, inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material mis-statement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Members of Governing Body and other management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgments and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims;

- if considered necessary, reviewing correspondence with relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Members of Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Statutory Auditor

First Floor, Park Central, 40-41 Park End Street, Oxford OX1 1JD

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

STATEMENT OF ACCOUNTING POLICIES

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College with its wholly owned subsidiaries Merton Enterprises Limited and Merton College No1 Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the College alone as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its material subsidiaries for the reporting year are in note 13.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular FRS 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgments and estimation of uncertainty

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Governing Body, in applying the accounting policies adopted, no judgments were required that have a significant effect on the amounts recognised in the financial statements.

In the view of the Governing Body, no assumptions concerning the future or estimation of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, office for student support and other charges for services

Fees receivable are recognised in the period in which the related service is provided and are stated net of any scholarships, bursaries or other allowances granted from the College's unrestricted funds, Office for Students support and charges for services and use of the premises.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognized following grant of probate and, once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognized when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure, including support costs and governance costs are allocated or apportioned to the application expenditure categories in the Statement of financial Activities (SOFA).

Support costs which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £5,000 together with expenditure on equipment costing more that £5,000 is capitalised.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

7. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Building improvements	20 years
Equipment	5 to 10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Heritage Assets

The College has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The College retains information concerning the cost or value on donation only for some of its heritage assets, but disclosure of this information would not give a fair picture of the total value of heritage assets held. The cost of obtaining fair values for the remaining heritage assets would not be commensurate with the benefits to users of the financial statements. Therefore, no cost or value is reflected in the financial statements for heritage assets.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

10. Other financial instruments

a. Derivatives
The College has not entered into any derivative contracts.

b. Cash and cash equivalents
Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

12. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

13. Foreign currencies

The functional and presentational currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

14. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its general endowment. The College can invest its general endowment without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

Other endowments are invested with Schroder & Co Ltd and Cerno Capital Partners LLP, which distribute on a total return basis.

15. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College.

They consist of ***either*** gifts where the donor has specified that both the capital and any income arising must be used for the purposes given ***or*** the income on gifts where the donor has required or permitted the capital be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long-term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

16. Pension Costs

The College participates in the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). These schemes are hybrid pension schemes, providing defined benefits as well as benefits based on defined contributions. The assets of each scheme are held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual employers and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other employers' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to each scheme and any deficit recovery contributions payable under a scheme Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 USS valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The College recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 22.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control such as the Universities Superannuation Scheme and OSPS. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The College is satisfied that USS and OSPS meet the definition of a multi-employer scheme.

Merton College
Consolidated Statement of Financial Activities
For the year ended 31 July 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2024 Total £'000**	2023 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		7,013	8	-	**7,021**	6,658
Other Trading Income	3	695	-	-	**695**	493
Donations and legacies	2	598	2,710	1,637	**4,945**	1,934
Investments						
Investment income	4	22	1,413	7,060	**8,495**	7,481
Total return allocated to income	14	9,677	-	(9,677)	**-**	-
Other income		4	-	-	**4**	8
Total income		**18,009**	**4,131**	**(980)**	**21,160**	16,574
EXPENDITURE ON:	5					
Charitable activities:						
Teaching, research and residential		16,001	1,783	274	**18,058**	16,165
Generating funds:						
Fundraising		562	-	-	**562**	565
Trading expenditure		553	-	-	**553**	467
Investment management costs		-	-	2,682	**2,682**	1,850
Total Expenditure		**17,116**	**1,783**	**2,956**	**21,855**	19,047
Net Income/(Expenditure) before gains		**893**	**2,348**	**(3,936)**	**(695)**	**(2,473)**
Net gains/(losses) on investments	11, 12	-	73	50,110	50,183	(2,961)
Net Income/(Expenditure)		893	2,421	46,174	**49,488**	(5,434)
Transfers between funds	18	137	(96)	(41)	**-**	-
Net movement in funds for the year		1,030	2,325	46,133	49,488	(5,434)
Fund balances brought forward	18	**23,500**	**4,969**	**329,592**	**358,061**	363,495
Funds carried forward at 31 July		24,530	7,294	375,725	**407,549**	358,061

Merton College
Consolidated and College Balance Sheets
As at 31 July 2024

	Notes	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
FIXED ASSETS					
Tangible assets	9	**16,493**	16,519	**16,493**	16,519
Property investments	11	**186,904**	152,272	**177,410**	142,777
Other Investments	12	**196,116**	182,289	**205,640**	191,792
Total Fixed Assets		**399,513**	351,080	**399,543**	351,088
CURRENT ASSETS					
Stocks		**417**	515	**415**	393
Debtors	15	**1,852**	1,898	**1,675**	2,158
Cash at bank and in hand		**8,197**	8,059	**7,845**	7,594
Total Current Assets		**10,466**	10,472	**9,935**	10,145
LIABILITIES					
Creditors: Amounts falling due within one year	16	**2,419**	1,602	**2,162**	1,419
NET CURRENT ASSETS		**8,047**	**8,870**	**7,773**	**8,726**
TOTAL ASSETS LESS CURRENT LIABILITIES		**407,560**	**359,950**	**407,316**	**359,814**
CREDITORS: falling due after more than one year	17	**11**	-	**11**	-
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		**407,549**	**359,950**	**407,305**	**359,814**
Defined benefit pension scheme liability	22	**-**	1,888	**-**	1,888
TOTAL NET ASSETS		**407,549**	**358,061**	**407,305**	**357,926**
FUNDS OF THE COLLEGE					
Endowment funds	18	**375,725**	329,592	**375,674**	329,525
Restricted funds		**7,294**	4,969	**7,294**	4,969
Unrestricted funds					
General funds		**7,796**	8,425	**7,603**	8,357
Fixed Asset fund		**16,493**	16,519	**16,493**	16,519
Graduate Scholarship Fund		**241**	444	**241**	444
Pension reserve	22	**-**	(1,888)	**-**	(1,888)
		407,549	358,061	**407,305**	357,926

The financial statements were approved and authorised for issue by the Governing Body of Merton College on 6th of November 2024

Trustee: JSP

Trustee: D.D.N. Nwoan

Merton College
Consolidated Statement of Cash Flows
For the year ended 31 July 2024

	Notes	2024 £'000	2023 £'000
Net cash provided by (used in) operating activities	24	**(10,614)**	(11,569)
Cash flows from investing activities			
Dividends, interest and rents from investments		**8,494**	7,481
Proceeds from the sale of property, plant and equipment		**-**	30
Purchase of property, plant and equipment		**(1,103)**	(1,040)
Proceeds from sale of investments		**13,923**	9,307
Purchase of investments		**(10,850)**	(1,766)
Net cash provided by (used in) investing activities		**10,464**	**14,012**
Cash flows from financing activities			
Receipt of endowment		**1,637**	316
Net cash provided by (used in) financing activities		**1,637**	**316**
Change in cash and cash equivalents in the reporting period included in creditors due to University		**1,487**	**2,759**
Cash and cash equivalents at the beginning of the reporting period		**33,485**	30,723
Cash and cash equivalents at the end of the reporting period	25	**34,972**	**33,485**

1 INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
Teaching, Research and Residential	**£'000**	£'000
Unrestricted funds		
Tuition fees - UK and EU students	1,431	1,417
Tuition fees - Overseas students	1,150	1,072
Other Office for Students support	249	263
Other academic income	125	168
College residential income	4,058	3,732
	7,013	6,652
Restricted funds		
College residential income	8	6
	8	**6**
Total Teaching, Research and Residential	**7,021**	**6,658**
Total income from charitable activities	**7,021**	**6,658**

The above analysis includes £2,830k received from Oxford University from publicly accountable funds under the CFF Scheme (2023: £2,751k).

To Support the strategic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduates students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college shares of the fees waived amounted to £57k (2023: £28k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2024	2023
	£'000	£'000
Donations and Legacies		
Unrestricted funds	**598**	334
Restricted funds	**2,710**	1,284
Endowed funds	**1,637**	316
	4,945	1,934

3 INCOME FROM OTHER TRADING ACTIVITIES

	2024	2023
	£'000	£'000
Subsidiary company trading income	**411**	467
Subsidiary Company farming income	**284**	26
	695	493

4 INVESTMENT INCOME

	2024	2023
	£'000	£'000
Unrestricted funds		
Bank interest	22	9
	22	9
Restricted funds		
Equity dividends	1,346	1,265
Interest on fixed term deposits and cash	67	30
	1,413	1,295
Endowed funds		
Agricultural rent	1,209	1,198
Commercial rent	2,038	1,920
Other property income	682	657
Equity dividends	1,401	1,419
Income from fixed interest stocks	309	119
Interest on fixed term deposits and cash	1,405	823
Other investment income	11	20
Bank interest	5	21
	7,060	6,177
Total Investment income	**8,495**	**7,481**

5 ANALYSIS OF EXPENDITURE

	2024 £'000	2023 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	6,053	6,294
Other direct costs allocated to:		
Teaching, research and residential	9,409	7,349
Support and governance costs allocated to:		
Teaching, research and residential	2,596	2,522
Total charitable expenditure	18,058	16,165
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	342	362
Investment management costs	278	328
Other direct costs allocated to:		
Fundraising	159	155
Trading expenditure	550	467
Investment management costs	2,365	1,496
Support and governance costs allocated to:		
Fundraising	61	48
Investment management costs	39	26
Total expenditure on raising funds	3,797	2,882
Total expenditure	21,855	19,047

The 2023 resources expended of £19,047k respresented £15,586k from unrestricted funds, £1,601k from restricted funds and £1,860k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £347k (2023 - £328k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	**2024 Total £'000**	Generating Funds £'000	Teaching and Research £'000	**2023 Total £'000**
Financial administration	13	234	**247**	13	231	**244**
Domestic administration	8	136	**144**	7	122	**129**
Human resources	27	323	**350**	24	398	**422**
IT	39	672	**711**	26	458	**484**
Depreciation	-	1,129	**1,129**	-	1,167	**1,167**
Loss/(profit) on fixed assets	-	-	**-**	-	(10)	**(10)**
Bank interest payable	9	-	**9**	3	-	**3**
Other finance charges	1	65	**66**	1	122	**123**
Governance costs	6	37	**43**	-	34	**34**
	103	**2,596**	**2,699**	**74**	**2,522**	**2,596**

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.
Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.
Interest and other finance charges are attributed according to the purpose of the related financing.
Governance costs are attributed according to the estimated staff time spent on each activity.

	2024 £'000	2023 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	**27**	28
Auditor's remuneration - tax advisory services	**-**	-
Other governance costs	**16**	6
	43	34

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

7 GRANTS AND AWARDS

	2024 £'000	2023 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	679	557
Bursaries and hardship awards	5	10
Grants to other institutions	-	-
Total unrestricted	**684**	**567**
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	579	706
Bursaries and hardship awards	277	236
Grants to other institutions	-	-
Total restricted	**856**	**942**
Endowed funds		
Grants to other institutions	274	10
Total restricted	**274**	**10**
Total grants and awards	**1,814**	**1,519**

8 STAFF COSTS

The aggregate staff costs for the year were as follows.	2024 £'000	2023 £'000
Salaries and wages	**7,259**	6,859
Social security costs	**746**	714
Pension costs:		
Continuation charges	**965**	1,144
Pension Provision Change (see note 22)	**(1,929)**	(1,314)
Other benefits	**373**	291
	7,414	7,694

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.	2024	2023
Tuition and research	**44**	42
College residential	**92**	90
Fundraising	**6**	7
Support	**13**	14
Total	**155**	153

The average number of employed College Trustees during the year was as follows.

University Lecturers	**18**	20
CUF Lecturers	**8**	8
Other teaching and research	**14**	15
Other	**10**	10
Total	**50**	53

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met through unrestricted funds.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	**3**	-
£70,001-£80,000	**1**	-

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	**3**	-
In defined contribution schemes	**1**	-
The College contributions to defined contribution pension schemes totalled	**9**	-

9 TANGIBLE FIXED ASSETS

College and Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	**Total £'000**
Cost			
At start of year	33,416	3,424	**36,840**
Additions	800	303	**1,103**
Disposals	-	-	**-**
At end of year	**34,216**	**3,727**	**37,943**
Depreciation and impairment			
At start of year	17,765	2,556	**20,321**
Depreciation charge for the year	901	228	**1,129**
Depreciation on disposals	-	-	**-**
Impairment	-	-	**-**
At end of year	**18,666**	**2,784**	**21,450**
Net book value			
At end of year	**15,550**	**943**	**16,493**
At start of year	15,651	868	**16,519**

The above includes:
£0k (2023:£0k) of plant and machinery held under finance leases.
£17k (2023:£0k) of fixures, fittings and equipment held under finance leases.

During the year, the College introduced a salary sacrifice Electric Vehicle (EV) scheme for its employees. The College has recognised a right-of-use asset and corresponding lease liability for the vehicles leased as part of the scheme. The right-of-use asset is depreciated over the lease term of 36 months.

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

The heritage assets held by the college comprise medieval manuscript books (327); medieval and early modern records of the college and its estates dating from the twelfth century (c10,000 pre-1800 items including deeds, surveys, court rolls, maps, and various other records); rare printed books (15th-19th centuries: c14,000; 20th-21st century: 3,500 rare editions and special copies); collections of personal papers (21 mixed-media collections); early astronomical instruments (5); 18th century globes (2); paintings, prints, and drawings (359); sculpture (23); historic table and chapel silver (16); miscellaneous historic furnishings (e.g. chests, clocks etc). Most new acquisitions are by gift or bequest. Criteria for decisions on whether to acquire heritage items include complementarity with existing collections, the intellectual appropriateness of the college as repository, and the ability of the college to house the collection appropriately and make it available to researchers. The college does not dispose of heritage assets.

Heritage assets are managed by the Fellow Librarian and the Domestic Bursar under the oversight of the Library and Archives Committee and the Sub-Committee on Pictures and Historic Chattels. There are three full-time professional librarians and a professional archivist is employed three days per week. The college is a member of the Oxford Conservation Consortium which employs four accredited conservators and four working towards accreditation, who provide preservation expertise and treatment of individual items. Specialist advice is sought when needed. Heritage items are housed in a number of locations throughout the college with special security, fire detection and fire suppression in the main storage areas. The environments of storage areas and rooms housing significant assets are regularly monitored and managed under the guidelines in PAS 198:2012 Specification for managing environmental conditions for cultural collections.

Records of heritage assets are held in a combination of electronic and hard-copy formats. These are freely available for research consultation either online or on site. The college maintains a programme of exhibitions onsite and loans items for display in the context of public exhibitions in the UK and abroad.

Various heritage assets have been acquired during the last five years including purchases amounting to £Nil k in the current year (2023: £25.1k).

Summary of heritage asset transactions	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Purchases					
Manuscripts & Books	**-**	**-**	**13.1**	**-**	**-**
Paintings	**-**	**25.1**	**8.0**	**7.5**	**-**
Donations					
Manuscripts and books	**5.0**	**-**	**4.3**	**-**	**-**
Paintings	**1.0**	**-**	**-**	**-**	**-**
Total additions	**6.0**	**25.1**	**25.4**	**7.5**	**-**

11 PROPERTY INVESTMENTS

Group

	Agricultural £'000	Commercial £'000	Other £'000	**2024 Total £'000**	2023 Total £'000
Valuation at start of year	88,677	44,400	19,195	**152,272**	153,078
Additions and improvements at cost	1,022	30	349	**1,401**	713
Disposals	(1,566)	-	(477)	**(2,043)**	(828)
Revaluation gains/(losses) in the year	35,274	-	-	**35,274**	(691)
Valuation at end of year	123,407	44,430	19,067	**186,904**	152,272

College

	Agricultural £'000	Commercial £'000	Other £'000	**2024 Total £'000**	2023 Total £'000
Valuation at start of year	88,677	34,905	19,195	**142,777**	143,583
Additions and improvements at cost	1,022	30	349	**1,401**	713
Disposals	(1,565)	-	(477)	**(2,042)**	(828)
Revaluation gains/(losses) in the year	35,274	-	-	**35,274**	(691)
Valuation at end of year	123,408	34,935	19,067	**177,410**	142,777

Estates land and property valuations as at the 31 July have been made by two independent firms of Chartered Surveyors with the basis of the valuation being market valuation. In a small number of cases the valuations have been made solely by the Land Agent, the basis of valuation being market valuation.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2024 £'000	2023 £'000
Group investments		
Valuation at start of year	**182,289**	188,180
New money invested	**17,107**	14,978
Amounts withdrawn	**(18,189)**	(18,598)
Increase/(Decrease) in value of investments	**14,909**	(2,271)
Group investments at end of year	**196,116**	182,289
Investment in subsidiaries	**9,514**	9,514
plus: cash reserves within subsidiaries included in group figures above	**10**	(11)
College investments at end of year	**205,640**	191,792

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	**2024 Total £'000**	Held outside the UK £'000	Held in the UK £'000	2023 Total £'000
Equity investments	-	93,986	**93,986**	-	80,994	**80,994**
Global multi-asset funds	-	33,102	**33,102**	-	31,013	**31,013**
Fixed interest stocks	-	8,919	**8,919**	-	8,710	**8,710**
Alternative and other investments	22,699	10,635	**33,334**	24,079	12,067	**36,146**
Fixed term deposits and cash	14,236	12,539	**26,775**	9,679	15,746	**25,425**
Proceeds due from disposal of property	-	-	**-**	-	-	**-**
Total Group investments	36,935	159,181	**196,116**	33,758	148,530	**182,289**

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Merton Enterprises Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Merton College No. 1 Limited, an investment property company.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	2024 Parent College £'000	2024 Merton Enterprises Limited £'000	2024 Merton No. 1 Limited £'000	2023 Parent College £'000	2023 Merton Enterprises Limited £'000	2023 Merton No. 1 Limited £'000
Income	20,284	688	118	16,037	472	111
Expenditure	(21,230)	(455)	(67)	(18,537)	(405)	(43)
Donation to College under gift aid	135	(67)	(68)	-	-	-
Result for the year	(811)	166	(17)	(2,500)	67	68
Total assets	409,682	547	9,572	361,233	611	9,598
Total liabilities	(2,381)	(238)	(82)	(3,307)	(468)	(92)
Net funds at the end of year	407,301	309	9,490	357,926	143	9,506

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years.

The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	General Endowment			Restricted	**Total**
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Endowments Total £'000	**Endowments £'000**
At the beginning of the year:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	210,283	210,283	-	210,283
Restricted endowment funds	-	-	-	30,352	30,352
Total Endowments	**88,957**	**210,283**	**299,240**	**30,352**	**329,592**
Movements in the reporting period:					
Gift of endowment funds	-	-	-	1,637	1,637
Investment return: total investment income	-	7,060	7,060	-	7,060
Investment return: realised and unrealised gains and losses	-	48,464	48,464	1,646	50,110
Less: Investment management costs	-	(2,682)	(2,682)	(274)	(2,956)
Other transfers	-	-	-	(41)	(41)
Total	-	52,842	52,842	2,968	55,810
Unapplied total return allocated to income in the reporting period	-	(9,677)	(9,677)	-	(9,677)
Expendable endowments transferred to income	-	-	-	-	-
	-	(9,677)	(9,677)	-	(9,677)
Net movements in reporting period	**-**	**43,165**	**43,165**	**2,968**	**46,133**
At end of the reporting period:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	253,448	253,448	-	253,448
Expendable endowment	-	-	-	33,320	33,320
Total Endowments	**88,957**	**253,448**	**342,405**	**33,320**	**375,725**

15 DEBTORS

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Amounts falling due within one year:				
Trade debtors	**436**	554	**269**	468
Amounts owed by College members	**4**	1	**4**	1
Amounts owed by Group undertakings	**-**	-	**59**	374
Loans repayable within one year	**14**	13	**14**	13
Prepayments and accrued income	**1,160**	1,320	**1,091**	1,292
Other debtors	**6**	10	**6**	10
Amounts falling due after more than one year:				
Other debtors	**232**	-	**232**	-
	1,852	1,898	**1,675**	2,158

16 CREDITORS: falling due within one year

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Obligations under finance leases	**6**	-	**6**	-
Trade creditors	**906**	243	**898**	202
Amounts owed to College Members	**23**	77	**22**	77
Amounts owed to Group undertakings	**-**	-	**-**	-
Taxation and social security	**47**	81	**9**	43
Accruals and deferred income	**1,247**	1,027	**1,046**	927
Other creditors	**190**	174	**181**	170
	2,419	1,602	**2,162**	1,419

17 CREDITORS: falling due after more than one year

	2024 Group £'000	2023 Group £'000	2024 College £'000	2023 College £'000
Obligations under finance leases	**11**	-	**11**	-
	11	-	**11**	-

The College recognises a right-of-use asset and corresponding lease liability for vehicles leased as part of a salary sacrifice Electric Vehicle (EV) Scheme. The lease liability represents the present value of future lease payments deducted from employees' salaries. Interest is accrued on the lease liability at a discount rate of 3.61%.

18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2024 £'000**
Endowment Funds - Permanent						
General Endowment	299,175	7,009	(2,615)	(9,677)	48,465	**342,357**
Fellowship and tutorship Funds:						
Baker Tutorial Support	907	48	-	-	52	**1,007**
Peter Braam Research Fellow	1,340	-	-	-	76	**1,416**
Chemistry Tutor	878	-	-	-	48	**926**
English Tutor	1,302	2	-	-	71	**1,375**
Law Tutor	590	7	-	-	30	**627**
Philosophy Tutor	1,137	-	-	-	62	**1,199**
Jessica Rawson Modern Asian History Tutor	1,004	-	-	-	55	**1,059**
Regius Professorship	-	274	(274)	-	-	**-**
Mark Reynolds History Tutor	1,812	-	-	-	100	**1,912**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	601	-	-	-	35	**636**
Peter Braam Scholar	402	-	-	-	22	**424**
John Barton BCL Scholar	141		-	-	8	**149**
Christopher Duggan Scholar	570	3	-	-	11	**584**
Roger Highfield Scholar	589	6	-	-	33	**628**
Charles Manby Scholar	462	-	-	-	26	**488**
Moussouris Rhodes Scholar	821	-	-	-	46	**867**
Other	96	-	-	-	5	**101**
Student Support Funds:						
Taylor Family Foundation	620	-	-	-	35	**655**
Reed Rubin Directors of music	723	-	-	-	40	**763**
Other	65	1	-	-	4	**70**
	313,235	**7,350**	**(2,889)**	**(9,677)**	**49,224**	**357,243**

Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,160	-	-	-	65	**1,225**
Douglas Algar Humanities Tutor	838	-	-	-	47	**885**
Economics Tutor	974	-	-	-	53	**1,027**
David Hay Medical Tutor	386	-	-	-	22	**408**
Christine Blackwell Classics Tutor	1,727	-	-	-	91	**1,818**
Library Fellowship	100	-	-	-	6	**106**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	772	-	-	-	48	**820**
David Stevens International Development S	436	-	-	-	24	**460**
Merton Lawyers BCL/Mjur Scholar	368	-	-	-	20	**388**
Merton-Oxford Scholar	535	-	-	-	26	**561**
Monica Barnett Law Scholar	157	-	-	-	9	**166**
John Moussouris Mathematics Scholar	627	-	-	-	35	**662**
Stringer Scholar	512	-	-	-	29	**541**
Buckee Scholarship	-	1,129	-	-	-	**1,129**
Harry Bush Scholarship	-	25	-	-	-	**25**
Other	128	9	-	-	7	**144**
Student Support Funds:						
General Student Support	2,284	29	-	-	126	**2,439**
Howard Stringer Undergraduate Support	1,168	-	-	-	65	**1,233**
Undergraduate Student Support	832	50	-	-	46	**928**
John Roberts	556	1	-	-	31	**588**
Thomas Bowman	305	-	-	-	20	**325**
Gerald David Clayton	772	-	-	-	43	**815**
Aruna & Arijit Chakraverty Bursaries	20	40	-	(41)	1	**20**
Choral Foundation	900	13	-	-	49	**962**
Compassionate Fund	336	-	-	-	19	**355**
Fitzhenry Biomedical Research Fund	142	-	-	-	9	**151**
Other Funds	255	-	-	-	(5)	**250**
	16,290	1,296	-	(41)	886	18,431
Total Endowment Funds - College	329,525	8,646	(2,889)	(9,718)	50,110	375,674
Endowment funds held by subsidiaries	67	51	(67)	-	-	**51**
Total Endowment Funds - Group	329,592	8,697	(2,956)	(9,718)	50,110	**375,725**
Restricted Funds						
Building Projects	1,177	1,212	(3)	(3)	48	**2,431**
Fellowship and Tutorship funds	641	669	(692)	-	4	**622**
Graduate scholarship and student prize funds	1,553	1,229	(468)	-	-	**2,314**
Students Support funds	853	312	(347)	41	21	**880**
Choir	324	498	(229)	(64)	-	**529**
Other funds	421	211	(44)	(70)	-	**518**
Total Restricted Funds - College	4,969	4,131	(1,783)	(96)	73	**7,294**
Restricted funds held by subsidiaries	-	-	-	-	-	**-**
Total Restricted Funds - Group	4,969	4,131	(1,783)	(96)	73	**7,294**
Unrestricted Funds						
General funds	8,358	7,644	(16,554)	8,155	-	**7,603**
Fixed Asset fund	16,519	-	-	(26)	-	**16,493**
Aidan Jenkins graduate scholarship fund	444	-	-	(203)	-	**241**
Pension reserve	(1,888)	-	-	1,888	-	**-**
Total Unrestricted Funds - College	23,433	7,644	(16,554)	9,814	-	24,337
Unrestricted funds held by subsidiaries	67	688	(562)	-	-	**193**
Total Unrestricted Funds - Group	23,500	8,332	(17,116)	9,814	-	24,530
Total Funds	358,061	21,160	(21,855)	-	50,184	**407,549**

	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2023 £'000**
Endowment Funds - Permanent						
General Endowment	305,311	6,118	(1,806)	(9,229)	(1,219)	**299,175**
Fellowship and tutorship Funds:						
Baker Tutorial Support	880	73	-	-	(46)	**907**
Peter Braam Research Fellow	1,417	-	-	-	(77)	**1,340**
Chemistry Tutor	925	-	-	-	(47)	**878**
English Tutor	1,370	2	-	-	(70)	**1,302**
Law Tutor	614	3	-	-	(27)	**590**
Philosophy Tutor	1,199	1	-	-	(63)	**1,137**
Jessica Rawson Modern Asian History Tutor	1,060	-	-	-	(56)	**1,004**
Regius Professorship	-	10	(10)	-	-	**-**
Mark Reynolds History Tutor	1,914	-	-	-	(102)	**1,812**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	637	-	-	-	(36)	**601**
Peter Braam Scholar	425	-	-	-	(23)	**402**
John Barton BCL Scholar	149	-	-	-	(8)	**141**
Christopher Duggan Scholar	639	-	-	-	(69)	**570**
Roger Highfield Scholar	611	6	-	-	(28)	**589**
Charles Manby Scholar	488	-	-	-	(26)	**462**
Moussouris Rhodes Scholar	867	-	-	-	(46)	**821**
Other	101	-	-	-	(5)	**96**
Student Support Funds:						**-**
Taylor Family Foundation	655	-	-	-	(35)	**620**
Reed Rubin Directors of music	764	-	-	-	(41)	**723**
Other	69	-	-	-	(4)	**65**
						-
	320,095	6,213	(1,816)	(9,229)	(2,028)	313,235
Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,226	-	-	-	(66)	**1,160**
Douglas Algar Humanities Tutor	885	-	-	-	(47)	**838**
Economics Tutor	1,027	-	-	-	(53)	**974**
David Hay Medical Tutor	408	-	-	-	(22)	**386**
Christine Blackwell Classics Tutor	1,819	-	-	-	(92)	**1,727**
Library Fellowship	-	100	-	-	-	**100**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	821	-	-	-	(49)	**772**
David Stevens International Development S	461	-	-	-	(25)	**436**
Merton Lawyers BCL/Mjur Scholar	389	-	-	-	(21)	**368**
Merton-Oxford Scholar	571	2	-	-	(38)	**535**
Monica Barnett Law Scholar	166	-	-	-	(9)	**157**
John Moussouris Mathematics Scholar	663	-	-	-	(36)	**627**
Stringer Scholar	541	-	-	-	(29)	**512**
Other	128	8	-	-	(8)	**128**
Student Support Funds:						
General Student Support	2,392	17	-	-	(125)	**2,284**
Howard Stringer Undergraduate Support	1,234	-	-	-	(66)	**1,168**
Undergraduate Student Support	807	64	-	-	(39)	**832**
John Roberts	586	1	-	-	(31)	**556**
Thomas Bowman	325	-	-	-	(20)	**305**
Gerald David Clayton	816	-	-	-	(44)	**772**
Aruna & Arijit Chakraverty Bursaries	-	20	-	-	-	**20**
Choral Foundation	941	8	-	-	(49)	**900**
Compassionate Fund	356	-	-	-	(20)	**336**
Fitzhenry Biomedical Research Fund	151	-	-	-	(9)	**142**
Other Funds	302	-	-	-	(47)	**255**
	17,015	220	-	-	(945)	16,290
Total Endowment Funds - College	337,110	6,433	(1,816)	(9,229)	(2,973)	329,525
Endowment funds held by subsidiaries	45	66	(44)	-	-	**67**
Total Endowment Funds - Group	337,155	6,499	(1,860)	(9,229)	(2,973)	**329,592**

Restricted Funds						
Building Projects	800	343	-	(3)	37	**1,177**
Fellowship and Tutorship funds	495	634	(484)	-	(4)	**641**
Graduate scholarship and student prize funds	1,251	827	(525)	-	-	**1,553**
Students Support funds	891	296	(313)	-	(21)	**853**
Choir	308	273	(191)	(66)	-	**324**
Other funds	358	212	(88)	(61)	-	**421**
Total Restricted Funds - College	4,103	2,585	(1,601)	(130)	12	4,969
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	4,103	2,585	(1,601)	(130)	12	4,969
Unrestricted Funds						
General funds	8,163	7,018	(16,331)	9,508	-	**8,358**
Fixed Asset fund	16,667	-	-	(148)	-	**16,519**
Aidan Jenkins graduate scholarship fund	444	-	-	-	-	**444**
Pension reserve	(3,100)	-	1,212	-	-	**(1,888)**
Total Unrestricted Funds - College	22,174	7,018	(15,119)	9,360	-	23,433
Unrestricted funds held by subsidiaries	62	472	(467)	-	-	**67**
Total Unrestricted Funds - Group	22,236	7,490	(15,586)	9,360	-	23,500
Total Funds	363,494	16,574	(19,047)	1	(2,961)	358,061

19 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:	
General Endowment Fund	Corporate capital, including founder's capital, whose income may be spent for general purposes.
Fellowship and Tutorship, Graduate scholarships, student support funds and Reed Directors of Music	Donations made for perpetuity, whose income may be spent for the restricted purpose described.
Endowment Funds - Expendable:	
Fellowship and Tutorship Funds	Donations made for the long term, whose income and capital may both be spent for the restricted purposes described.
Graduate Scholarship and Student Prize Funds:	
Student Support Funds	
Choral Foundation	
Compassionate Fund	
Fitzhenry Biomedical Research Fund	
Restricted Funds:	
Building Projects	Donations made for specific College building projects before completion. Funds are transferred to the Building Project Fund within Unrestricted Funds once the building has been completed.
Fellowship and Tutorship Funds	Unspent income generated from the permanent and expendable endowments above
Graduate Scholarships and Student Prize Funds	and donations made for restricted purposes which the trustees may spend at their discretion.
Student Support Funds	
Choir	
Designated Funds	
Fixed Assets Fund	Represents the original cost less accumulated depreciation of the College's fixed assets.
Aiden Jenkins Graduate Scholarship fund	Represents an unrestricted donation received and designated by the Trustees for a graduate scholarship less accumulated costs of scholarships.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2024 Total £'000**
Tangible fixed assets	16,493	-	-	**16,493**
Property investments	-	-	186,904	**186,904**
Other investments	-	7,294	188,821	**196,116**
Net current assets/(liabilities)	8,047	-	-	**8,047**
Long term liabilities	(11)	-	-	**(11)**
	24,530	7,294	375,725	**407,549**

Prior Year Analysis of Net Assets Between Funds	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2023 Total £'000**
Tangible fixed assets	16,519	-	-	**16,519**
Property investments	-	-	152,272	**152,272**
Other investments	-	4,969	177,320	**182,289**
Net current assets/(liabilities)	8,870	-	-	**8,870**
Long term liabilities	(1,888)	-	-	**(1,888)**
	23,499	4,969	329,592	**358,062**

21 TRUSTEES' REMUNERATION

The Trustees of the College are the members of the Governing Body, primarily those Fellows who are employed to undertake teaching and research and who sit on Governing Body by virtue of their employment.

No Fellow receives any remuneration for acting as a Trustee. However, those Fellows who are also employees of the College receive salaries in respect of their employment. In the case of teaching and research posts, salaries are set with reference to pay scales applying nationally within the higher education sector and within the University of Oxford. Salaries are determined in all cases by the Governing Body on the basis of recommendations made by the remuneration committee, whose composition is described in the Annual Report of the Governing Body.

Trustees of the College fall into the following categories:

(i) The Warden, who is the Head of College and chairs meetings of the Governing Body and its committees;

(ii) Official Fellows, who are elected to the office of Tutor, Bursar, Librarian, Chaplain, Development Director or other office of the College;
(iii) Professorial Fellows, who are senior members of the University of Oxford;
(iv) Fixed-term research Fellows, who may be either junior career-development employees of the College, or senior academics who are not employed by the College.

College Officers and career-development research Fellows may be accommodated by the College. 33 Fellows (2023: 27) were accommodated in houses, flats or rooms owned by the College during the year. Fellows who are eligible for accommodation but who are not accommodated are paid a housing allowance, which is included within the salary figures below.

Some Fellows receive allowances for work carried out as part-time College Officers, including the Sub-Warden, Principal of Postmasters and Research Convener. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits included below is £2,494k (2023: £2,368k). The total of pension contributions is £342k (2023: £400k).

Remuneration paid to trustees

Range	2024 Number of Trustees / Fellows	2024 Gross remuneration, taxable benefits and pension contributions £	2023 Number of Trustees / Fellows	2023 Gross remuneration, taxable benefits and pension contributions £
£0-£5,000	3	4,123	4	8,457
£5,001-£10,000	2	15,323	5	33,409
£10,001-£15,000	2	27,297	0	-
£15,001-£20,000	1	16,004	1	18,449
£20,001-£25,000	2	48,310	2	47,796
£25,001-£30,000	11	305,100	8	218,836
£30,001-£35,000	3	96,099	5	161,085
£35,001-£40,000	1	38,514	2	71,527
£40,001-£45,000	4	168,228	0	-
£45,001-£50,000	6	282,307	8	382,223
£50,001-£55,000	1	54,853	1	50,084
£55,001-£60,000	1	58,443	3	175,992
£60,001-£65,000	3	184,977	1	61,979
£65,001-£70,000	0	-	0	-
£70,001-£75,000	1	73,306	2	147,597
£75,001-£80,000	0	-	1	77,574
£80,001-£85,000	2	163,464	3	250,019
£85,001-£90,000	1	85,303	1	86,412
£90,001-£95,000	1	90,138	0	-
£95,001-£100,000	0	-	0	-
£100,001-£105,000	0	-	1	103,776
£105,001-£110,000	1	107,032	0	-
£110,001-£115,000	1	112,752	1	112,066
£115,001-£120,000	3	352,343	3	354,727
£120,001-£125,000	0	-	0	-
£125,001-£130,000	1	126,304	1	127,515
£130,001-£135,000	0	-	0	-
£135,001-£140,000	1	136,607	2	278,518
£140,001-£145,000	0	-	0	-
£145,001-£150,000	1	147,766	0	-
£150,001-£155,000	1	154,099	0	-
Total	54	2,848,692	55	2,768,041

9 Fellows (2023: 9) were not employed by the College during the year and did not receive any renumeration. All Fellows and all permanent employees of the college are eligible for private health insurance. All Fellows may take meals in College, together with all employees, who are entitled to take meals whilst working.

Trustee expenses

No Fellow claimed any expenses for work as a trustee

Other transactions with trustees

There were no other transactions between the College and Fellows or related parties.

See also note 28 Related Party Transactions

Key management remuneration

The total remuneration paid to key management, including employer's national insurance contributions, was £3,104k (2023: £3,025k).

Key management are considered to be the Trustees of the College.

22 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The College has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

Schemes accounted for under FRS 102 as defined contribution schemes

Deficit Recovery Plans

For USS, a deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account. The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

At 31 July 2023, the College's balance sheet included a liability of £1,851k for future contributions, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the College was no longer required to make deficit recovery contributions. The remaining liability of £1,708k was released to the income and expenditure account.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

Assumption	
CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2024	2023
· Males Currently aged 65 (years)	23.7	24.0
· Females currently ages 65 (years)	25.6	25.6
· Males currently aged 45 (years)	25.4	26.0
· Females currently aged 45 (years)	27.2	27.4

University of Oxford Staff Pension Scheme

The University of Oxford Staff Pension Scheme (OSPS) is a multi-employer hybrid scheme set up under trust and sponsored by the University. It is the pension scheme for support staff at the University, participating colleges and other related employers. New members joining the scheme build up benefits on a defined contribution basis. Members who joined before 1st October 2017 build up benefits on a career average revalued earnings basis.

The latest full actuarial valuation for the OSPS scheme was completed as at 31 March 2022. The funding position of this scheme has improved significantly moving from deficit of £113m to a surplus of £47m at the valuation date. As a result, the recovery plan agreed at the last valuation is no longer required and the deficit contribution ended on 30th September 2023. A provision of £36k was made at 31 July 2023 to account for deficit recovery payments up to 30th September 2023. That remaining liability of £16k was released to the income and expenditure account in 2024.

The Trustee and the University have agreed a new contribution schedule which took effect from 1 October 2023 and takes account of the benefit improvements and changes to member contributions since the last valuation date. It was agreed that the scheme will meet its own running costs from the scheme's assets, including expenses relating to both the DB and DC Sections and the cost of pension Protection Fund /other statutory levies.

The table below summarises the key actuarial assumptions. Further details of the assumptions are set out in the statement of funding principles dated 27 June 2023 and can be found at https://finance.admin.ox.ac.uk/osps-documents

Date of valuation:	31 March 2022
Value of liabilities:	£914m
Value of assets:	£961m
Funding surplus / (deficit):	£47m

The principal assumptions used by the actuary were:

Assumption	
Rate of interest (periods up to retirement)	Gilts' +2.25%
Rate of interest (periods after retirement)	Gilts' +0.5%
RPI	Break-even RPI curve less 0.5% pa pre-2030 and 1.0% pa post-2030
CPI	RPI inflation assumption less 1% pa pre-2030 and 0.1% pa post-2030
Pensionable salary increases	RPI +pa
Funding Ratios:	
Teschnical provision basis:	105%
Buy-out' basis:	62%

Non-financial assumptions:

Assumption	
Post-retirement mortality - base table	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Post-retirement mortality - improvements	Non-Pensioners: 105% of standard S3PxA medium tables for both males and females Pensioners: 105% of standard S3PxA medium tables for both males and females
Recommended employer's contribution rate (as % of pensioable salaries):	16.5% DB for members from 01/10/2023 10% /12% /14% DC members in relation to 4% /6% /8% cost plan - from 01/10/2023
Effective date of next-valuation:	31 March 2025

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	**2024 £'000**	**2023 £'000**
Universities Superannuation Scheme		
Continuation Charges	432	540
Pension provision change	-1,893	-460
University of Oxford Staff Pension Scheme		
Continuation Charges	520	590
Pension provision change	-36	-854
Other schemes – contributions	13	15
Total	-964	-169

23 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the companies under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

24 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2024 Group £'000	2023 Group £'000
Net income/(expenditure)	49,488	(5,434)
Elimination of non-operating cash flows:		
Investment income	(8,495)	(7,481)
(Gains)/losses in investments	(50,183)	2,961
Endowment donations	(1,637)	(316)
Depreciation	1,129	1,167
(Surplus)/loss on sale of fixed assets	-	(10)
Decrease/(Increase) in stock	98	(103)
Decrease/(Increase) in debtors	46	(447)
(Decrease)/Increase in creditors	828	(694)
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(1,888)	(1,212)
Net cash provided by (used in) operating activities	**(10,614)**	(11,569)

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £'000	2023 £'000
Cash at bank and in hand	**8,197**	8,059
Endowment assets cash	**26,775**	25,426
Total cash and cash equivalents	**34,972**	33,485

26 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.	2024 £'000	2023 £'000
	-	-

The College had a contracted commitment at 31 July in respect of a gift agreement with the University of Oxford for the Regius Professor of Mathematics totalling £153k (2023 £428k).

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £2,025k (2023 - £404k).

28 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The College has made equity housing loans to the following Fellows who are employees on the basis the capital sums repayable are linked to the value of the property on which the loan is secured. These loans are repayable in full when the Fellow demits from office and are classified as property investments in the balance sheet.

	2024	2023
	£'000	£'000
Mr J Gloag	**60**	60
Dr P Thornton	**-**	360
Dr M Whitworth	**155**	155

29 CONTINGENT ASSETS & LIABILITIES

The College is pursuing a claim to recover legal fees incurred relating to a planning application appeal against two councils. This claim is subject to ongoing negotiations, and the outcome is uncertain at this time, although it is probable that the College will receive an inflow of economic benefits.

No asset has been recognised in the financial statements in relation to this claim, as the likelihood and magnitude of recovery cannot be reliably estimated at this stage. The College will continue to monitor the situation and will recognise any recovery when it becomes virtually certain.

As at the balance sheet date, the College has no contingent liabilities to disclose.

30 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial position.

30 PRIOR YEAR COMPARATIVES

Consolidated Statement of Financial Activities for the Year ended 31 July 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2023 Total £'000**
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,652	6	-	**6,658**
Other Trading Income	493	-	-	**493**
Donations and legacies	334	1,284	316	**1,934**
Investments				
Investment income	9	1,295	6,177	**7,481**
Total return allocated to income	9,229	-	(9,229)	**-**
Other income	2	-	6	**8**
Total income	**16,719**	**2,585**	**(2,730)**	**16,574**
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	14,554	1,601	10	**16,165**
Generating funds:				
Fundraising	565	-	-	**565**
Trading expenditure	467	-	-	**467**
Investment management costs	-	-	1,850	**1,850**
Total Expenditure	**15,586**	**1,601**	**1,860**	**19,047**
Net Income/(Expenditure) before gains	**1,133**	**984**	**(4,590)**	**(2,473)**
Net gains/(losses) on investments	-	12	(2,973)	**(2,961)**
Net Income/(Expenditure)	1,133	996	(7,563)	(5,434)
Transfers between funds	130	(130)	-	**-**
Net movement in funds for the year	1,263	866	(7,563)	(5,434)
Fund balances brought forward	22,236	4,103	337,156	**363,495**
Funds carried forward at 31 July	23,499	4,969	329,593	358,061

31 PRIOR YEAR COMPARATIVES

STATEMENT OF INVESTMENT TOTAL RETURN FOR THE YEAR ENDED 31 JULY 2023

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	General Endowment			Restricted Endowments	**Total Endowments**
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Total £'000	**£'000**
At the beginning of the year:					
Gift component of the permanent endowment	88,957		88,957		88,957
Unapplied total return		216,399	216,399		216,399
Restricted endowment funds				31,799	31,799
Total Endowments	**88,957**	**216,399**	**305,356**	**31,799**	**337,155**
Movements in the reporting period:					
Gift of endowment funds	-	-	-	316	316
Investment return: total investment income	-	6,183	6,183	-	6,183
Investment return: realised and unrealised gains and losses	-	(1,220)	(1,220)	(1,753)	(2,973)
Less: Investment management costs	-	(1,850)	(1,850)	(10)	(1,860)
Other transfers	-	-	-	-	-
Total	-	3,113	3,113	(1,447)	1,666
Unapplied total return allocated to income in the reporting period	-	(9,229)	(9,229)	-	(9,229)
Expendable endowments transferred to income	-	-	-	-	-
	-	(9,229)	(9,229)	-	(9,229)
Net movements in reporting period	**-**	**(6,116)**	**(6,116)**	**(1,447)**	**(7,563)**
At end of the reporting period:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	210,283	210,283	-	210,283
Expendable endowment	-	-	-	30,352	30,352
Total Endowments	**88,957**	**210,283**	**299,240**	**30,352**	**329,592**

THE WARDEN AND SCHOLARS OF THE HOUSE OR COLLEGE OF SCHOLARS OF MERTON IN THE UNI

England & Wales - Charity number 1139022

Accounts

MERTON
COLLEGE
OXFORD

Annual Report and Financial Statements
Year ended 31 July 2023

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MEMBERS OF THE GOVERNING BODY 1 August 2022 to 31 July 2023

The members of the Governing Body, who are Fellows of the College, are the College's charity trustees. The members of the Governing Body who served in office during the year or at the date of this Report are detailed below.

		1	2	3	4	5
Mr Charles Alexander		•	•	•	•	
Dr Jennifer Altehenger			•			
Professor Rhiannon Ash			•			
Professor Alan Barr		•	•			
Dr Kathryn Blackmon		•	•			
Dr Alice Brooke			•	•		
Dr Gwen Burnyeat						
Professor Mindy Chen-Wishart			•			
Mr Mark Coote					•	
Dr Helen Craske						
Dr Chloe Deambrogio						
Dr Brianne Kathleen Dolce	(Resigned 14.07.23)		•			
Dr Daniela Dover			•			
Dr Frances Dunn	(Fellowship ended 30.09.22)					
Frater John Eidinow		•	•			
Professor Artur Ekert						
Professor Radek Erban			•			
Dr Hadleigh Frost						
Professor John Geddes						
Mr John Gloag		•				
Professor Veronique Gouverneur	(Resigned 31.10.22)		•			
Dr Jane Gover			•	•		
Professor Daniel Grimley	(Appointed 01.10.22)	•	•			
Dr Matthew Grimley			•		•	
Professor Timothy Guilford			•	•		
Professor Steven Gunn			•			
Professor Matthew Higgins	(Resigned 31.12.22 and re-elected 10.04.23)		•			
Professor Peter Holland					•	
Professor Simon Hooker			•			
Professor Ehud Hrushovski						
Professor Lorna Hutson						•
Dr Nicholas Irwin						
Dr Xiangyu (Michael) Jie						
Revd Canon Dr Simon Jones		•	•	•	•	
Dr Vatsal Khandelwal						
Professor Julian Knight			•			

Dr Madhavi Krishnan			•	•		
Professor Nathaniel Lane			•			
Professor Irene Lemos						
Mr Timothy Lightfoot		•	•	•		
Mr Andrew Mackie						•
Professor Ian Maclachlan		•	•			
Professor Richard McCabe			•			
Professor Alan Morrison		•	•			
Dr James Newton			•	•		
Professor Béla Novák						
Professor David Paterson			•			
Professor Jennifer Payne	(Acting Warden from 01.01.23)	•	•	•	•	
Professor Jonathan Prag			•			
Professor Thomas Richards			•			
Dr Emily Rutherford	(Fellowship ended 30.09.22)					
Professor Simon Saunders	(Retired 30.09.22)		•			
Dr Daniel Sawyer	(Fellowship ended 30.09.22)					
Professor Alexander Schekochihin			•			
Professor Alexander Scott			•		•	
Professor Helen Small		•		•		•
Dr Henry Spelman	(Resigned 31.08.22)					
Dr Bassel Tarbush		•	•	•		
Professor Patricia Thornton			•			
Professor Irene Tracey	(Resigned 31.12.22)	•	•	•	•	
Dr Julia Walworth			•	•	•	
Professor Hugh Watkins						
Prof Michael Whitworth			•			
Professor Sir Andrew Wiles						

The following Fellows were appointed as members of the Governing Body from 1st October 2023:

Dr Martina Astrid Rodda
Dr Lucy Brookes
Dr David Nadlinger
Dr Alexander Lipp
Dr Krishnan Ram-Prasad
Dr Naomi Waltham-Smith

During the year, the major activities of the Governing Body were carried out through five main committees (further details on these committees are provided in the Report of the Governing Body below). The membership of these committees is shown above for each Fellow.

1. Finance Committee
2. Warden & Tutors Committee
3. Graduate Committee
4. Development and Alumni Relations Committee
5. Remuneration Committee

SENIOR STAFF

The senior staff of the College were as follows for the year ended 31 July 2023:

Professor Irene Tracey	Warden (resigned 31 December 2022)
Professor Jennifer Payne	Acting Warden (from 1 January 2023)
Professor Alan Morrison	Sub Warden
Mr Charles Alexander	Finance Bursar
Mr Timothy Lightfoot	Domestic Bursar
Mr John Gloag	Estates Bursar & Land Agent
Revd Canon Dr Simon Jones	Chaplain (on leave from 25th March 2023)
Fra' John Eidinow	Dean & Keeper of Statutes
Dr Jane Gover	Senior Tutor
Mr Mark Coote	Development Director
Dr Julia Walworth	Librarian

COLLEGE ADVISERS

Investment Managers

Legal & General, One Coleman Street, London EC2R 5AA

Schroder & Co. Limited, 31 Gresham Street, London EC2V 1QA

Cerno Capital Partners LLP, 34 Sackville Street, London W1S 3ED

Auditors

Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Bankers

Barclays Bank plc, Oxford City, 54 Cornmarket Street, Oxford OX1 3HB

Solicitors

HCR Hewitsons, Elgin House, Billing Road, Northampton NN1 5AB

Mills & Reeve, 112 Hills Road, Cambridge CB2 1PH

Penningtons Manches, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Wilsons LLP, Alexandra House, St Johns Street, Salisbury SP1 2SB and, Lincoln's Inn Fields, London WC2A 3AA

Surveyors

Savills, Wytham Court, 11 Westway, Oxford OX2 0QL

Gerald Eve LLP, 72 Welbeck Street, London W1G 0AY

Other

Peninsula Business Services, 2 Cheetham Hill Road, Manchester M4 4FB

College address
Merton Street, Oxford OX1 4JD

Website
www.merton.ox.ac.uk

REPORT OF THE GOVERNING BODY

Under the Charities Act 2011, the Governing Body presents its Annual Report for the year ended 31 July 2023, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Merton College is a charitable corporation founded as a self-governing community of scholars first in Malden, Surrey, and then in Oxford, by Walter of Merton, Lord Chancellor of England and Bishop of Rochester, with royal consent under statutes dated 1264 and 1274. The full legal name of the College is 'The Warden and Scholars of the House or College of Scholars of Merton in the University of Oxford'. The term 'Fellows' latterly replaced 'Scholars', and the Fellows elected under Statute 4.2(a) of the College Statutes, together with the Warden, who is the head of the College, comprise the Governing Body of the College. The College registered with the Charities Commission on 15 November 2010 (registered number 1139022). Prior to that date the College was an exempt charity under section 3(5a) of the Charities Act 1993, as listed in Schedule 2(b) to that Act.

The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 5.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes approved by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Archbishop of Canterbury. The Governing Body is self-appointing, and membership is subject to review and renewal every seven years and lapses with retirement from office.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by five main committees and thirty ancillary or subsidiary committees, forums and panels.

Recruitment and training of members of the Governing Body

New Fellows are elected to the Governing Body on the basis of their knowledge of and contribution to education, learning and research within the College and the University of Oxford, or on the basis of their possession of professional and administrative qualifications and skills that will enable them to advise and assist other members of the Governing Body.

Recommendations concerning appointments to Fellowships are made to the Governing Body by committees convened specifically for the purpose and chaired by the Warden. Appointment committees include expert members recruited from outside the College, and academic appointments may be made by joint process with a faculty or department of the University of Oxford.

New members of the Governing Body are inducted into the workings of the College, including their role as trustees and Governing Body policies and procedures by the senior staff of the College, are provided with written reference material explaining their roles, and may attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College other than as provided for by the Statutes of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which are Fellows not employed by the College and external members. Where practical, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior College staff is set by the Governing Body on the advice of the Remuneration Committee in line with market norms.

Organisational management

The Governing Body meets at least nine times a year. The work of developing and monitoring the implementation of its policies is mostly carried out by five committees, described below.

Finance Committee

The Committee is responsible for advising the Governing Body on all matters concerning finance, financial administration, investment, accounting and risk management. The Committee is also responsible for the administration of the terms and conditions of employment of non-academic staff and academic staff who are not members of Governing Body (the Remuneration Committee is responsible for members of Governing Body, and employment issues may also be considered by the Equality Forum). The Committee is chaired by the Warden and has up to fourteen members, including up to three members with relevant skills who are not members of the Governing Body and include the College Accountant. It meets at least six times each year. There is an Investment Sub-Committee consisting of four members of the Governing Body, including the Warden and up to five members who have relevant professional skills and experience and who are not members of the Governing Body. There is also a Benefactions Sub-Committee tasked with ensuring the appropriate use of restricted donations made up of up to five life members of the College. As part of a review of the committees of the College, the Benefactions Committee was abolished during the year. One of the external members of the Finance Committee will review the use of restricted donations and present their findings annually to the Finance Committee.

Academic Committees ('Warden & Tutors' Committee' and 'Graduate Committee')

The Warden and Tutors' Committee has delegated authority to make and enforce regulations on all matters concerning junior members, including their academic work, welfare, recreational use of College facilities, and disciplinary matters. The Committee reports to the Governing Body its decisions on all matters of principle on these topics, and makes recommendations to the Governing Body on other relevant matters, including material changes to the range and focus of educational activities.

The Committee is chaired by the Warden and its more than thirty members include the Senior Tutor, the subject Tutors, the Finance and Domestic Bursars, the Dean & Keeper of Statutes, the Librarian, the Chaplain and the Academic Registrar. The Committee meets at least twelve times each year. Undergraduate representatives attend at least one meeting per term. Subsidiary committees are responsible for considering student discipline, teaching needs, access and schools liaison, and student support.
The Graduate Committee considers all matters related to postgraduate members. It is chaired by the Warden and convened by the Senior Tutor, with academic membership representing all four divisions of the University, key College Officers including the Dean of Graduates and graduate student representatives. It meets three times per year.

Development and Alumni Relations Committee

The Committee is responsible for the oversight and co-ordination of fundraising and alumni relations activities undertaken by the College, for the recommendation of policy on fundraising and alumni relations, and for the consideration of matters concerning the external relations of the College. It also has responsibility, delegated from Governing Body, for the acceptance of gifts. The Committee is chaired by the Warden and has fourteen members, including the Development Director, two student representatives and three other members with relevant skills and experience who are not members of the Governing Body. It meets at least three times each year.

Remuneration Committee ('Committee on Stipends and Allowances')

The Committee is responsible for making recommendations to the Governing Body concerning the remuneration and benefits of any member of the Governing Body who is employed by the College, or any College Officer who is not a member of the Governing Body. There are seven members of the Committee, no member of the Committee may be an employee of the College, and the chair and three other members may not be members of the Governing Body. The Committee usually meets once annually or otherwise as required.

Other Committees

Apart from the main committees, there are committees devoted to specific areas of College life including Buildings, Chapel and Patronage, IT Services, Library, and Sports. The Domestic Committee oversees all the domestic arrangements of the College. There are student representative members on most of these committees. There is also a Research Committee reporting directly to the Governing Body.

The Statutes & Bylaws Committee is tasked with reviewing the statutes, bylaws, regulations and policies of the College and usually meets three times a term. The Fellowship & Appointments Committee is tasked with making recommendations to Governing Body concerning election of Fellows and other appointments. It meets at least once a term.

During the year, the College undertook a review of its committee structure, led by the Fellowship & Appointments Committee, with the goal of improving efficiency and ensuring the time of Fellows and other committee members is as well deployed as possible. As a result of this review, the College abolished the Benefactions Sub-committee as described above and the Wine Sub-committee. Further, the Fellowship & Appointments has recommended to Governing Body the abolition of a number of other committees and the establishment of a new audit committee. The Governing Body will consider these recommendations at a meeting in Michaelmas Term. In each case where a committee is abolished the work of that committee will be considered by another existing committee of College, as appropriate.

The day-to-day running of the College is delegated to the Warden, supported by the Sub Warden, Senior Tutor, Tutors, Bursars, Chaplain, Dean & Keeper of the Statutes, Librarian and Development Director. The Warden attends meetings of nearly all the Governing Body's Committees.

As a result of the Warden's resignation to take up the post of Vice-Chancellor, the Governing Body appointed Professor Jennifer Payne to the post of Acting Warden from 1st January.

During the year, the College ran a process to identify and select a Warden to replace Professor Irene Tracey, selecting Professor Jennifer Payne as its new Warden at a meeting in Trinity Term. Professor Payne was installed as the Warden on 30th September 2023.

Group structure and relationships

The College administers many special funds as detailed in the notes to the financial statements.

The College has a wholly owned non-charitable subsidiary, Merton Enterprises Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton Enterprises Limited comprise letting of the College facilities and merchandise sales.

The College has a wholly owned non-charitable subsidiary, Merton College No. 1 Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton College No. 1 Limited comprise the purchase, development and sale of land and property.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects for the public benefit are: to advance education, learning, research, and religion through the provision of a college in Oxford or elsewhere.

The College's Aims for the public benefit are to achieve the highest outcomes in education, learning and research at national and international level; and to maintain the College Chapel as a place of public worship pursuing the highest standards of liturgical, homiletical, and musical excellence.

The Aims for the College's subsidiaries are to help finance the achievement of the College's Objects.

Activities of the College

The College's principal activity is the advancement of education and learning, through provision of teaching and educational support, to approximately 600 resident undergraduate and graduate students who have been admitted as members of the College and who are engaged on a course of studies leading to the award of a degree in the University of Oxford, through the appointment or employment of Fellows and academic staff who are actively engaged in research, through the provision of accommodation and support facilities and through the provision of research grants to Fellows and students.

Public benefit

The Governing Body intends that the benefits of education and learning provided by the College should be available to the widest possible range of suitably qualified candidates, irrespective of background, and takes careful note of the guidance provided by the Charity Commission on public benefit, the advancement of education and fee-charging.

To this end, the College participates with the University of Oxford and other colleges and institutions in Oxford in an access bursary scheme to provide financial assistance to eligible home undergraduate students.
See http://www.ox.ac.uk/students/fees-funding/ for details of the Oxford Bursary Scheme.

In order to encourage applications from excellent students who might not otherwise consider applying for admission to the College, the College employs a Schools Liaison and Access Officer and operates an outreach programme, including schools visits, visits to the College, open days and provision of information, to establish and maintain contact with schools, school teachers and students.

The College retains a team of welfare and medical advisers, who provide support and confidential counselling to students and staff who are distressed or who have special needs, and who may authorise grants and funding for referrals for specialist professional treatment or advice.

Students are provided with opportunities to contribute to College policies and practices, through participation in College committees, through formal and informal interaction with College Officers and Fellows, and through voluntary surveys and assessment processes.

The College operates student support funds which may be used to make grants to any student in financial hardship, including grants to supplement funding shortfalls and grants for special academic needs.

The College provides scholarship funds to graduates and makes grants to all students for books and equipment and travel and other research related activities.

The College provides residential accommodation for approximately 300 undergraduates and 170 graduates.

The Equality Forum comprises seven members drawn from the Governing Body, four student members, seven staff members (a College Lecturer, the HR Manager, the Academic Registrar, the SLAO, the SSA, and two non-academic employees of the College who are not members of GB) and one external member. The Forum considers and makes recommendations concerning equality in all aspects of College life, including admission of students and student provision and progress, as well as employment issues. The Governing Body appoints one of its members as Equality Adviser.

The College is normally open to the public during visiting hours throughout most of the year. Chapel services are open to members of the public.

ACHIEVEMENTS AND PERFORMANCE

Undergraduate students

316 students were enrolled for undergraduate degree courses at the University of Oxford during the year. Of these, 252 were ordinarily resident in the UK and 64 were ordinarily resident overseas (including in the EU). 184 were studying humanities and social sciences subjects and 132 were studying mathematics, medicine and physical sciences. 112 undergraduates held College scholarships or exhibitions during the year.

86 undergraduates took Final Honour Schools examinations at the University of Oxford in 2023. Some classifications were affected by the UCU strike action and are not expected to be announced until Michaelmas term 2023. Of the 86 finalists, 6 took degrees classified by Pass/Distinction outcomes on the MSc-level year. Of the 74 students classified for first-class, 2.1, or 2.2 degrees, 31 (41.9%) achieved Firsts (down from 54% in 2022), 40 (54.1%) achieved 2.1s (up from 36%) and 3 (4.1%) achieved 2.2 degrees (down from 10% in 2022). No students obtained a Third. There were 8 finalists whose results were not classified. Of the 6 undergraduates taking MSc-level, fourth-year exams, 4 (67%) were awarded distinctions, 1 was awarded a merit and 1 a pass.

Graduate students

190 graduate students were enrolled for research study leading to the DPhil degree at the University of Oxford during the year, of whom 55 were studying humanities, 71 were studying mathematics and physical sciences, 25 were studying social sciences, and 39 were studying medical sciences.

81 students were enrolled for other graduate degrees at the University of Oxford, including the EMBA/MBA, BCL/MJur, MSc, MSt, MPhil, and BPhil, Diploma and 2nd BM.

27 graduates were awarded DPhil degrees and 48 graduates were awarded other graduate degrees during the year.

33 graduates were elected to College scholarships.

Scholarships, bursaries, grants and prizes

Expenditure during the year was as follows:

Undergraduates	
Oxford Bursaries	£70,280
Prizes	£13,945
Scholarships	£63,828
Other grants	£171,330
Graduates	
Scholarships	£989,133
Research and other grants	£65,726
All students	
Student support and book grants	£135,277

Welfare and special needs

The annual cost of staff time (Chaplain, Senior Tutor, Academic Registrar, Nurse, Doctor and Junior Deans for Welfare) and other cost of welfare provision (including a contribution to the University Counselling Services) is of the order of £80,000, 17.7% (104) of the total student population in 2022-23 (70 undergraduates and 34 graduates) had known disabilities or long-term health conditions.

Schools liaison

The College engaged in over 39 in-person and online schools liaison activities during the 2022-23 academic year reaching thousands of students, particularly in the south west of England (Merton's main regional link area). These were either Merton-only events or were held in conjunction with the University of Oxford or other Oxford or Cambridge colleges. Work continued with the South West Consortium (Merton College, Exeter College and Lady Margaret Hall) and this is expected to develop further in the coming years. Schools liaison activities included visits to schools and colleges, workshops focusing on different aspects of applications, taster lectures, and development of pupils' thinking and wider academic skills. Sessions were intended to raise educational aspirations, inform course choices, highlight the benefits of higher education (including studying at Oxford and Merton), and clarify Oxford application's processes. Three in-person open days were held (one in September and two in June), with the June events attracting almost 3,500 visitors.

The College continued to develop its work with the Social Mobility Foundation, a UK wide charity aiming to improve the social mobility of young people. In addition to online events, a 3-day residential visit to the College was held for a group of 34 year 12 students.

The annual cost of employing a Schools Liaison and Access Officer, together with associated costs, was of the order of £31,600 – slightly higher than in the previous year due to the post being filled for a greater proportion of the year.

Library

The College Library provides support for teaching, learning, and research by members of the College and visiting researchers through resources, professional assistance, and through maintaining spaces conducive to productive study. The Library also contributes to the effective running of the College administration through management of records, archives, and provision of information. The Library and Archives Committee, which reports to Governing Body, has representation from Fellows, undergraduates, and postgraduates. Decisions about library services are informed by regular user experience surveys, and by informal communications. The College supports staff membership in professional organisations, and staff maintain awareness of best practice through participation in University and professional groups. The College is a member of the Oxford Conservation Consortium to provide professional care and advice in relation to heritage collections.

Timely access to printed books continues to be highlighted on the annual undergraduate survey as an 'essential' service, along with study space, and access to electronic resources. Library study spaces are used intensively and are supplemented with other rooms in College during the exam term. A total of 846 print books were acquired in 2022-2023 of which 100 were gifts. The library also participates in an initiative to co-ordinate the purchase of e-publications across the collegiate University. There were 22 accessions to the archives this year: 12 gifts, 9 internal transfers, and 1 purchase.

The Library aims to care for special collections, archives, and heritage material to professional standards, to make them known to researchers and the public, and to make them physically accessible for research and for teaching. This year the Library received 102 research visits to consult heritage items. Staff responded to 193 written research enquiries (exclusive of reprographic requests). A staffed information desk provides a needed service, with some 700 in-person enquiries logged this year.

Daily tours of the College, including the historic library, were offered to members of the public and special-interest groups this summer from mid-June to mid-September. There were 470 visitors in June and July 2023. The spring/summer exhibition, 'Earthly Paradise', featured illustrated botanical works elucidating the changing functions of

gardens in the College from the 16th to the 20th centuries. Library and Archive staff collaborated with the Visiting Research Fellow in the Creative Arts, Performative Story Teller, Ben Haggarty, to organise a public event, 'Fairytale Tellers of Merton', on 27 May 2023. Over 100 attendees of all ages enjoyed the talks, a special exhibition from library collections and story-telling performance.

Fellows

The College postponed the process of appointing early career researchers (who join Governing Body for two years as Junior Research Fellows) in 2022-23 for a variety of administrative reasons. Early career researchers appointed in October 2022 (as a result of the recruitment process in 2021-22) will become Governing Body Fellows in October 2023.

Professor Mindy Chen-Wishart retired from her post on 30th September 2023 and moved to take up a Professorship in Law at the National University of Singapore. Professor Veronique Gouverneur resigned from her Fellowship at Merton in November 2022 to become the Waynflete Professor of Chemistry, which is associated with Magdalen College, Oxford. Professor Matthew Higgins took up the EP Abraham Professorship of Structural Biology in January 2023, and was elected to a Professorial Fellowship of the College from 13 March 2023. Dr Brianne Dolce left the College in July 2023 to take up an education policy advisor role at Leiden University.

Employment costs were, in respect of Teaching Fellows, £1,350 thousand for the year; in respect of other teaching staff £446 thousand for the year and in respect of Research Fellows and other Fellows (including stipends paid to part-time College Officers) £433 thousand for the year.

Research grants of £177 thousand were made to Fellows during the year.

The 47 academic Fellows on the College's Governing Body included 16 Mathematical, Physical and Life Scientists, 15 scholars in the Humanities, 11 in the Social Sciences and 5 in the Medical Sciences. The research interests of Fellows are described further at http://www.merton.ox.ac.uk/fellowsandresearch/fellows.shtml

Chapel

The Chaplain took leave of absence from the end of March to take up the post of Interim Dean of Lincoln Cathedral, until the end of December 2023.

Daily public services were held in the College Chapel throughout the academic year. The main service of the week was on Sunday evening, and it attracted an average in-person attendance of 115. Twenty-nine junior members participated in the running of the Chapel,

and the Chaplain was assisted by a new Associate Chaplain from Michaelmas Term. During the Chaplain's secondment to Lincoln Cathedral, we were joined by The Reverend Canon Dr Christopher Collingwood for Trinity Term. Twelve baptisms, eleven confirmations and eight weddings took place in the Chapel. Most Chapel collections are donated to charitable causes, and in the year 2022-2023 Shelter was the recipient of the Chapel collections.

In relation to the building, plans were developed for the installation of a new porch in the south transept. It is hoped that this work will take place in the summer of 2024.

Choral Foundation

A full complement of 26 choral scholars, 5 graduate choral scholars, 3 choral bursary holders, and two organ scholars have contributed to the services in Chapel on a Sunday, Tuesday and Thursday. On a Monday and Wednesday, the services are sung by 24 girl choristers, who are drawn from ten different schools across Oxford. All choral services during the academic year were livestreamed through the College Choir's YouTube account. The College Choir broadcast live on BBC Radio 3 on 26th April 2023.

Both the College Choir and the Girl Choristers sang in the Sheldonian Theatre for the Admission of Professor Irene Tracey as Vice-Chancellor of Oxford University on 10th January 2023. In April 2023, the College Choir made its debut at London's Barbican in Bach's *St John Passion*, and later in the month gave a performance of Haydn's *Creation* at the Sheldonian Theatre. On 5th May, the choir sang at Oxford University's Service of Thanksgiving for the Coronation of King Charles III at the University Church, and in June the choir took part in a concert at Windsor Castle. Recording activities included making a disc with Sarah Connolly, Neal Davies and Nick Pritchard. The Girl Choristers sang a concert in the Oxford Lieder Festival in October 2022, and in August 2023 they undertook a short concert tour in Paris.

Capital projects

There were no major capital projects undertaken in 2022-23.

Within routine property expenditure, shower facilities have been added to 28 Graduate rooms in Holywell Street and a replacement hot water system has been installed in the College kitchen. Four Fellows houses have been refurbished at 4, 6 & 10 Manor Road and 97 Holywell Street. A major programme of external decoration has commenced in Fellows Quad and replacement of the food servery counter in Hall is scheduled. Three fire hydrants located in Front Quad, Fellows Quad and Chestnut Lawn have also been replaced.

Fundraising

The financial year 2022-23 saw high levels of engagement with alumni worldwide, and an increase in the percentage of donor participation for the third year running. New initiatives through the Merton Society, the alumni network, drove this engagement as well as a busy programme of appeals, events, visits and tours undertaken by the Development Office.

Fundraising focused on a broad number of priorities which included identifying support for a new library project. Pledges in support of that project have been encouraging as we embark upon a quiet fundraising phase around the creation of an initial conceptual design and explore potential sites for the new building. Along with principal donations towards the library, the College also received strong support for graduate scholarships. Graduate scholarships were completed in Chemistry, Archaeology and History during the year, alongside good progress for a DPhil scholarship in Law and an Academic Futures scholarship addressing under-representation of Black British graduates at Oxford. A campaign to fund a master's scholarship for a refugee Ukrainian student was completed as well as support for an at-risk academic from Ukraine. Funding towards a full scholarship for a Ukrainian doctoral student is well underway. There was also a significant pledge made to endow funds towards undergraduate bursary support.

Other notable appeals included the near completion of the Upper Library medieval stained-glass window campaign, support for the Girl Choristers' Instrumental Bursaries, a new Choir album, and a successful campaign to support graduate, James Kempton, in undertaking a scientific exploration to the Cyclops Mountains in Indonesia.

Two successful telethons were held, supported by an excellent team of student callers, with more than £200,000 raised in new gifts and pledges. An annual fundraising 'menu' launched with MC3 in November 2022 delivered consistently good results and was the basis of a direct mail summer appeal in July 2023.

A new match-funded Posterity Gift of £12.64, donated by 100% of incoming graduate students in Michaelmas term, supported student welfare and mental health. In Trinity term, 95% of the 2022 undergraduate leavers each made donations of £12.64 in support of the same cause. The leavers' donations were matched by an alumnus donor.

During the year, the College received £1.934 million in donations and legacies. Of the overall cash donated, £188,000 was received in respect of Fellowships (teaching and research), £511,000 towards Graduate Scholarships, £138,000 in respect of Student Support and the Student Experience, £388,000 for buildings projects, and £375,000 for other purposes. £334,000 was received in unrestricted donations. A total of £8.124 million was pledged in new funds and is the highest amount on record.

The College is registered with the Fundraising Regulator and employs full-time professional staff in the Development Office to act on its behalf in this area and to ensure that it is compliant with the Code of Fundraising Practice. The College did not receive any complaints relating to its fundraising activities.

FINANCIAL REVIEW

Total income for the year, £16.57 million, was £1.46 million higher than the preceding year, which resulted from increases in charitable activities income (teaching, research and residential) (£1.19 million) and in investment income (£1.61 million), offset by declines in trading income (£0.21 million), donations and legacies (£1.11 million) and other income (£0.02 million). Charitable conference income is included in charitable activities income in 2022-23 whereas it was included in trading income in 2021-22. Total conference income rose by £0.47 million from 2021-22.

Total expenditure was £19.05 million, an increase of £0.07 million. The University Superannuation Scheme (USS) deficit recovery plan liability saw a substantial reduction in the year to £1.85 million (2022: £2.24 million). The Oxford Staff Pension Scheme, following its valuation of March 2022, returned to surplus bringing an end to the deficit recovery contributions resulting in a reduction into the associated pension liability to £0.04 million (2022: £0.86 million). These savings were offset by increases in utility costs (£0.63 million), catering costs (£0.57 million) and maintenance costs (£0.55 million).

Net income showed a deficit of £2.47 million, compared with a deficit of £3.87 million in the preceding year. Net losses on investments were £2.96 million compared to gains of £27.77 million in 2021-22. Total funds and net assets decreased to £358.06 million from £363.49 million.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its financial obligations in the event of an unexpected revenue shortfall and to provide a buffer that would ensure uninterrupted services.

Free reserves at the year-end amounted to £8.43 million (2022: £8.23 million), representing net current assets less creditors falling due after more than one year and designated reserve.

The College's target is to maintain free reserves of at least two to four months of expected expenditure. Year-end free reserves represented nearly seven months of expected expenditure.

Total funds of the College and its subsidiaries at the year-end amounted to £358.06 million (2022: £363.49 million). This figure includes endowment funds of £329.59 million and unspent restricted funds totaling £4.97 million. Designated reserves at the year-end comprised of the book value of tangible fixed assets of £16.52 million to be spent over their useful economic lives and £0.44 million representing an unrestricted donation received and designated by the Trustees for a graduate

scholarship to be spent over the next ten to twenty years.

Going concern

The Governing Body has considered whether to adopt the going concern basis in preparing these financial statements. In support of this, it has received several briefings on the College's finances from the Finance Bursar. The College has a healthy cash position, owns substantial endowed resources, enjoys healthy levels of demand from prospective students, and is ready and able to constrain expenditure growth if necessary. The Governing Body is therefore confident that the College has more than adequate resources to continue its activities for the foreseeable future, and considers that there are no uncertainties concerning the College's viability.

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that robust systems are in place to manage these risks. The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised as follows:

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest;

- Operational risks- e.g. the impact of the Covid-19 pandemic, service quality and development, contract pricing, employment issues, health and safety issues, fraud and misappropriation;

- Financial risks- e.g. accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, investment management;

- External risks- e.g. public perception and adverse publicity, demographic changes, government policy; and

- Compliance with law and regulation- e.g. breach of trust law, employment law, data protection law, and regulative requirements of particular activities such as fund-raising.

Climate Change

The College recognises the risks posed by climate change and is taking action across its operations, its estates and its investments to reduce its carbon footprint. During the year, the College established a sustainability working group to assist in the development and implementation of the College's sustainability strategy. The Governing Body accepted the working group's recommendation to adopt the University's target of net zero carbon and biodiversity net gain by 2035. The College has taken a number of steps to enhance sustainability and biodiversity across its activities, including measuring its current impacts, making its buildings more energy efficient, reducing consumption, achieving greater recycling and reducing waste, particularly food waste, and increasing sustainable sourcing. On the College's estates, the College has completed a natural capital and biodiversity audit and is reviewing alternative land use strategies and government schemes to reduce carbon output from farming and develop carbon sequestration where possible. In 2020, the College moved the entirety of its developed market listed equity portfolio to an ESG tilted tracker, thereby reducing the carbon emissions intensity of the portfolio by over 40%. The sustainability working group, alongside the Investment Sub-committee, will be considering further enhancements to the College's investment policy to help achieve the College's sustainability goals. More details of all these initiatives can be found on the College's website.

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;

- Providing appropriate training to all members of staff and at the induction of new fellows;

- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;

- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and data & information security policies; and

- Ensuring the appropriate insurance policies are in place and reviewed regularly.

The College identifies the risks it faces, the potential impact of each risk, the likelihood of recurrence, the severity of impact, and the steps taken to mitigate each particular risk in its Risk Register, which is regularly reviewed by the Finance Committee and approved by Governing Body. The College is undertaking a review of its risk reporting with the assistance of an external expert in 2023-24. As described above, it is also considering the creation of a new audit committee which will have oversight of the College's risk reporting and audit processes.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future needs by:

- achieving a nominal return on investment sufficient to maintain or increase the real value of the investments and meet the spending objectives of the College; and

- delivering this objective within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. The College does not use a fixed formal benchmark but compares performance with a wide range of investment indices and investor performance data. The College has made a number of direct and indirect investments that have explicit or implicit socially responsible objectives; its Investment Policy, available on the College's website, includes the College's policy in relation to Socially Responsible Investment.

Investment strategy, policy and performance are monitored by the Finance Committee and its Investment Sub-committee.

At the year end, the College's aggregate long term investments totalled £329.59 million, of which £299.24 million was general endowment and the composition of which is shown in the notes to the financial statements.

The overall total investment return on the general endowment before external expenses was as follows:

Annualised total net return (in GBP) %

Merton College	1.6%
Global Equities	7.3%
UK Equities	6.8%
US Equities	7.0%
UK Gilts	-16.0%
UK Index-Linked Gilts	-21.6%

The returns on the general endowment reflect the College's asset allocation, particularly its investment in property which returned 2.0% over the year.

The carrying value of the preserved permanent capital (the trust for investment) and the amount of any unapplied total return available for expenditure was taken as the fair value of these funds as at 1 August 2002 (£88.956 million) together with the original gift value of all subsequent endowment received.

The Governing Body annually reviews the level and appropriateness of the unapplied total return allocated to income including a review of prospective investment returns, inflation and market risks. Any surplus arising during the year is reinvested in the College's general endowment.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this 3.5% is calculated on the average of the year-end values in each of the last five years. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

The Governing Body continues to consider how it can achieve the highest outcomes in education, learning and research at national and international level, and continues to review the size and shape of the College and encompassing matters of academic policy, governance and administration. College staff and students continue to contribute to the plan.

The College decided in 2021-22 to proceed with a new library, and has continued to plan for the new library through the course of 2022-23. The College is also undertaking a broader strategic review of its space needs, including student accommodation, teaching space, office space and other needs, which it expects to complete in 2023-24.

Fundraising for the new library continued in 2022-23.

The College commissioned a survey to review the condition of all of its operational buildings and the results of this survey were received in 2023. The survey will inform a rolling ten year maintenance plan to be agreed as part of the budget setting process over the next several years.

The College continues to consider setting-up a pre-school nursery and plans for the nursery will form part of the strategic space review.

Admissions

Undergraduate applicants to Oxford are selected by the individual colleges working within a common framework to ensure that the same standards and practices apply consistently across subjects – see further: https://www.ox.ac.uk/admissions/undergraduate/applying-to-oxford/decisions/common-framework

Overall application numbers across the University in 2022-23 were 23,111, a small decrease from the previous year (23,787).

Merton College received 632 applications, a small decrease from the previous year's figure of 663 applications in 2021-22. 108 offers were made, of which 10 were open offers and four were deferred offers for a 2024 start.

For information on admissions at Merton compared with other colleges, see: https://public.tableau.com/profile/sdma.oxford.university#!/

Data on ethnicity is not available to the College through the UCAS. Analysis is undertaken by the University Admissions Office retrospectively on behalf of all colleges, and can be found at:
https://www.ox.ac.uk/about/facts-and-figures/admissions-statistics/undergraduate-students/current/ethnicity

108 applicants to Merton declared a disability in their application, of which 14 received an offer and a further 5 were taken by other colleges.

Postgraduate applicants are assessed by the relevant department or faculty and all those admitted are guaranteed a college place. Merton continues to attract substantially more applicants than it has places available.

Attracting the best students from the widest possible range of backgrounds requires more than financial support. Therefore, in the UK, the College continues to develop its schools liaison programme through a full-time officer, and aims to appeal to all constituencies by improving and enhancing web-based and electronic media and communications. The College continues to develop its recruitment of graduate scholars collaboratively with the academic faculties and departments of the University of Oxford.

Chapel

A scheme to replace the existing single timber lobby with a double glass lobby has been developed and the design has been approved. The work will be undertaken in summer 2024 alongside the installation of heated seating in the chancel.

Choral Foundation

In the coming year, the College Choir will perform Monteverdi's *Vespers of 1610* in Merton College Chapel and will premiere Gabriel Jackson's *The Christmas* Story at St John's Smith Square, London. Further concerts will take place in the Sheldonian Theatre and during the *Passiontide at Merton* festival. The choir will also record for Delphian Records. The Girl Choristers will also appear in the premiere of Jackson's *The Christmas Story.*

Capital projects

Three projects are under development. Planning permission has been obtained for an extension to the boat house. The start was delayed by the need for further ground investigations and should now commence in 2023-24. As mentioned above, plans have been developed to replace the porch at the south entrance to the Chapel.

Finally, as described above, the College is at the early stages of developing a project to construct a new library to replace and expand the facilities in Old Warden's Lodgings which can then be re-purposed. Following a feasibility study and architectural competition, Stanton Williams have been appointed as project architects and commenced the design work in August 2022.

A scheme based on the Rose Lane garden area was developed by the architects and discussed with Historic England and Oxford City Council through a pre-application process. Whilst the authorities liked the design it was thought that the proposed location alongside the City wall and above the Medieval City ditch would cause excessive harm and therefore could not be supported. The College and the architects are now reviewing other options.

Discussions around the Library highlighted the need for the College to consider its space requirements over the medium to long term. A group was set up to conduct a strategic space review and this will report to the College during 2023-24.

Trading income

The T S Eliot Lecture Theatre provides the College with first class facilities that are attractive to third party users. Merton Enterprises Ltd has been able to broaden its customer base following a restructuring of the conference office and proactive marketing of these facilities.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departure which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 1 November 2023 and signed on its behalf by:

Warden

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF MERTON COLLEGE

Opinion

We have audited the financial statements of Merton College (the "Charity") for the year ended 31 July 2023 which comprise the Statement of accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charity through discussions with Members of the Governing Body and other management, and from our knowledge and experience of the client's sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Office for Students and Oxford University requirements, taxation legislation, data protection, employment and pensions, planning and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and, where relevant, inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material mis-statement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Members of Governing Body and other management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgments and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

- enquiring of management as to actual and potential litigation and claims;

- if considered necessary, reviewing correspondence with relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Members of Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Statutory Auditor

Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

STATEMENT OF ACCOUNTING POLICIES

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College with its wholly owned subsidiaries Merton Enterprises Limited and Merton College No1 Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the College alone as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its material subsidiaries for the reporting year are in note 13.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular FRS 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgments and estimation of uncertainty

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Governing Body, in applying the accounting policies adopted, no judgments were required that have a significant effect on the amounts recognised in the financial statements.

In the view of the Governing Body, no assumptions concerning the future or estimation of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, office for student support and other charges for services

Fees receivable are recognised in the period in which the related service is provided and are stated net of any scholarships, bursaries or other allowances granted from the College's unrestricted funds, Office for Students support and charges for services and use of the premises.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognized following grant of probate and, once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognized when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure, including support costs and governance costs are allocated or apportioned to the application expenditure categories in the Statement of financial Activities (SOFA).

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £5,000 together with expenditure on equipment costing more that £5,000 is capitalised.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

7. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Building improvements	20 years
Equipment	5 to 10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Heritage Assets

The College has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The College retains information concerning the cost or value on donation only for some of its heritage assets, but disclosure of this information would not give a fair picture of the total value of heritage assets held. The cost of obtaining fair values for the remaining heritage assets would not be commensurate with the benefits to users of the financial statements. Therefore, no cost or value is reflected in the financial statements for heritage assets.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

10. Other financial instruments

a. Derivatives
The College has not entered into any derivative contracts.

b. Cash and cash equivalents
Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12. Foreign currencies

The functional and presentational currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

13. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its general endowment. The College can invest its general endowment without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

Other endowments are invested with Schroder & Co Ltd and Cerno Capital Partners LLP, which distribute on a total return basis.

14. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of ***either*** gifts where the donor has specified that both the capital and any income arising must be used for the purposes given ***or*** the income on gifts where the donor has required or permitted the capital be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

15. Pension costs

The College participates in the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). These schemes are hybrid pension schemes, providing defined benefits as well as benefits based on defined contributions. The assets of each scheme are held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual employers and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other employers' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the profit and loss account represents the contributions payable to each scheme.

Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control such as the Universities Superannuation Scheme and OSPS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Trustees are satisfied that USS and OSPS meet the definition of a multi-employer scheme and the College has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Merton College
Consolidated Statement of Financial Activities
For the year ended 31 July 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2023 Total £'000**	2022 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,652	6	-	**6,658**	5,468
Other Trading Income	3	493	-	-	**493**	672
Donations and legacies	2	334	1,284	316	**1,934**	3,053
Investments						
Investment income	4	9	1,295	6,177	**7,481**	5,895
Total return allocated to income	14	9,229	-	(9,229)	**-**	-
Other income		2	-	6	**8**	24
Total income		**16,719**	**2,585**	**(2,730)**	**16,574**	15,112
EXPENDITURE ON:	5					
Charitable activities:						
Teaching, research and residential		14,554	1,601	10	**16,165**	16,011
Generating funds:						
Fundraising		565	-	-	**565**	696
Trading expenditure		467	-	-	**467**	464
Investment management costs		-	-	1,850	**1,850**	1,810
Total Expenditure		**15,586**	**1,601**	**1,860**	**19,047**	18,981
Net Income/(Expenditure) before gains		**1,133**	**984**	**(4,590)**	**(2,473)**	**(3,869)**
Net gains/(losses) on investments	11, 12	-	12	(2,973)	(2,961)	27,766
Net Income/(Expenditure)		1,133	996	(7,563)	**(5,434)**	23,897
Transfers between funds	17	130	(130)	-	**-**	-
Net movement in funds for the year		1,263	866	(7,563)	(5,434)	23,897
Fund balances brought forward	17	**22,236**	**4,103**	**337,156**	**363,495**	339,597
Funds carried forward at 31 July		23,499	4,969	329,593	**358,061**	363,494

Merton College
Consolidated and College Balance Sheets
As at 31 July 2023

	Notes	**2023 Group £'000**	2022 Group £'000	**2023 College £'000**	2022 College £'000
FIXED ASSETS					
Tangible assets	9	**16,519**	16,667	**16,519**	16,667
Property investments	11	**152,272**	153,078	**142,777**	143,583
Other Investments	12	**182,289**	188,180	**191,792**	197,706
Total Fixed Assets		**351,080**	357,925	**351,088**	357,956
CURRENT ASSETS					
Stocks		**515**	412	**393**	378
Debtors	15	**1,898**	1,451	**2,158**	1,503
Cash at bank and in hand		**8,059**	9,102	**7,594**	8,830
Total Current Assets		**10,472**	10,965	**10,145**	10,711
LIABILITIES					
Creditors: Amounts falling due within one year	16	**1,602**	2,296	**1,419**	2,180
NET CURRENT ASSETS/(LIABILITIES)		**8,870**	**8,669**	**8,726**	**8,531**
TOTAL ASSETS LESS CURRENT LIABILITIES		**359,950**	**366,594**	**359,814**	**366,487**
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		**359,950**	**366,594**	**359,814**	**366,487**
Defined benefit pension scheme liability	21	**1,888**	3,100	**1,888**	3,100
TOTAL NET ASSETS/(LIABILITIES)		**358,061**	**363,494**	**357,926**	**363,387**
FUNDS OF THE COLLEGE					
Endowment funds		**329,592**	337,155	**329,525**	337,110
Restricted funds		**4,969**	4,103	**4,969**	4,103
Unrestricted funds					
General funds		**8,425**	8,225	**8,357**	8,163
Fixed Asset fund		**16,519**	16,667	**16,519**	16,667
Graduate Scholarship Fund		**444**	444	**444**	444
Pension reserve	21	**(1,888)**	(3,100)	**(1,888)**	(3,100)
		358,061	363,494	**357,926**	363,387

The financial statements were approved and authorised for issue by the Governing Body of Merton College on

Trustee:

Trustee:

Merton College
Consolidated Statement of Cash Flows
For the year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Net cash provided by (used in) operating activities	23	**(11,569)**	(8,337)
Cash flows from investing activities			
Dividends, interest and rents from investments		**7,481**	5,895
Proceeds from the sale of property, plant and equipment		**30**	12
Purchase of property, plant and equipment		**(1,040)**	(895)
Proceeds from sale of investments		**9,307**	46,707
Purchase of investments		**(1,766)**	(24,878)
Net cash provided by (used in) investing activities		**14,012**	**26,841**
Cash flows from financing activities			
Receipt of endowment		**316**	1,592
Net cash provided by (used in) financing activities		**316**	**1,592**
Change in cash and cash equivalents in the reporting period included in creditors due to University		**2,759**	**20,096**
Cash and cash equivalents at the beginning of the reporting period		**30,723**	10,627
Cash and cash equivalents at the end of the reporting period	24	**33,485**	**30,723**

1 INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
Teaching, Research and Residential	**£'000**	£'000
Unrestricted funds		
Tuition fees - UK and EU students	1,417	1,405
Tuition fees - Overseas students	1,072	926
Other Office for Students support	263	251
Other academic income	168	165
College residential income	3,732	2,721
	6,652	5,468
Restricted funds		
College residential income	6	-
	6	**-**
Total Teaching, Research and Residential	**6,658**	**5,468**
Total income from charitable activities	**6,658**	**5,468**

The above analysis includes £2,751k received from Oxford University from publicly accountable funds under the CFF Scheme (2022: £2,582k).

To Support the stratgeic priority to fund more graduate scholars and to enable outstanding students to take up their places regardless of their financial position, for graduates students with overseas fee status funded through the Clarendon or UKRI scholarship funding schemes, the college shares of the fees waived amounted to £28k (2022: £0k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2023	2022
	£'000	£'000
Donations and Legacies		
Unrestricted funds	**334**	256
Restricted funds	**1,284**	1,205
Endowed funds	**316**	1,592
	1,934	3,053

3 INCOME FROM OTHER TRADING ACTIVITIES

	2023	2022
	£'000	£'000
Subsidiary company trading income	**467**	328
Other trading income	**26**	344
	493	672

4 INVESTMENT INCOME

	2023	2022
	£'000	£'000
Unrestricted funds		
Bank interest	9	1
	9	1
Restricted funds		
Equity dividends	1,265	1,179
Interest on fixed term deposits and cash	30	1
	1,295	1,180
Endowed funds		
Agricultural rent	1,198	1,237
Commercial rent	1,920	1,706
Other property income	657	613
Equity dividends	1,419	1,018
Income from fixed interest stocks	119	53
Interest on fixed term deposits and cash	823	79
Other investment income	20	8
Bank interest	21	-
	6,177	4,714
Total Investment income	**7,481**	**5,895**

5 ANALYSIS OF EXPENDITURE

	2023	2022
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	6,294	8,428
Other direct costs allocated to:		
Teaching, research and residential	7,349	5,243
Support and governance costs allocated to:		
Teaching, research and residential	2,522	2,340
Total charitable expenditure	16,165	16,011
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	362	463
Investment management costs	328	425
Other direct costs allocated to:		
Fundraising	155	143
Trading expenditure	467	464
Investment management costs	1,496	1,341
Support and governance costs allocated to:		
Fundraising	48	90
Investment management costs	26	44
Total expenditure on raising funds	2,882	2,970
Total expenditure	19,047	18,981

The 2022 resources expended of £18,981k respesented £15,487k from unrestricted funds, £1,439k from restricted funds and £2,055k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £328k (2022 - £302k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	**2023 Total £'000**	Generating Funds £'000	Teaching and Research £'000	**2022 Total £'000**
Financial administration	13	231	**244**	16	280	**296**
Domestic administration	7	122	**129**	8	144	**152**
Human resources	24	398	**422**	16	243	**259**
IT	26	458	**484**	28	488	**516**
Depreciation	-	1,167	**1,167**	63	1,117	**1,180**
Loss/(profit) on fixed assets	-	(10)	**(10)**	-	(3)	**(3)**
Bank interest payable	3	-	**3**	-	-	**-**
Other finance charges	1	122	**123**	3	40	**43**
Governance costs	-	34	**34**	-	31	**31**
	74	**2,522**	**2,596**	**134**	**2,340**	**2,474**

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.
Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.
Interest and other finance charges are attributed according to the purpose of the related financing.
Governance costs are attributed according to the estimated staff time spent on each activity.

	2023	2022
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	**28**	24
Auditor's remuneration - tax advisory services	**-**	-
Other governance costs	**6**	7
	34	31

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

7 GRANTS AND AWARDS

	2023 £'000	2022 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	**557**	597
Bursaries and hardship awards	**10**	4
Total unrestricted	**567**	**601**
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	**706**	424
Bursaries and hardship awards	**236**	210
Grants to other institutions	-	5
Total restricted	**942**	**639**
Endowed funds		
Grants to other institutions	10	245
Total restricted	**10**	**245**
Total grants and awards	**1,519**	**1,485**

8 STAFF COSTS

The aggregate staff costs for the year were as follows.	2023 £'000	2022 £'000
Salaries and wages	**6,859**	6,805
Social security costs	**714**	648
Pension costs:		
Continuation charges	**1,144**	1,060
Pension Provision Change (see note 21)	**(1,314)**	1,252
Other benefits	**291**	248
	7,694	10,013

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.	2023	2022
Tuition and research	**42**	39
College residential	**90**	81
Fundraising	**7**	6
Support	**14**	12
Total	**153**	138

The average number of employed College Trustees during the year was as follows.

University Lecturers	**20**	22
CUF Lecturers	**8**	7
Other teaching and research	**15**	14
Other	**10**	10
Total	**53**	53

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met through unrestricted funds.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	**-**	-

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	**-**	-

9 TANGIBLE FIXED ASSETS

College and Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	**Total £'000**
Cost			
At start of year	32,589	3,307	**35,896**
Additions	827	214	**1,041**
Disposals	-	(97)	**(97)**
At end of year	**33,416**	**3,424**	**36,840**
Depreciation and impairment			
At start of year	16,780	2,449	**19,229**
Depreciation charge for the year	985	183	**1,168**
Depreciation on disposals	-	(76)	**(76)**
Impairment	-	-	**-**
At end of year	**17,765**	**2,556**	**20,321**
Net book value			
At end of year	**15,651**	**868**	**16,519**
At start of year	15,809	858	**16,667**

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

The heritage assets held by the college comprise medieval manuscript books (327); medieval and early modern records of the college and its estates dating from the twelfth century (c10,000 pre-1800 items including deeds, surveys, court rolls, maps, and various other records); rare printed books (15th-19th centuries: c14,000; 20th-21st century: 3,500 rare editions and special copies); collections of personal papers (21 mixed-media collections); early astronomical instruments (5); 18th century globes (2); paintings, prints, and drawings (359); sculpture (23); historic table and chapel silver (16); miscellaneous historic furnishings (e.g. chests, clocks etc). Most new acquisitions are by gift or bequest. Criteria for decisions on whether to acquire heritage items include complementarity with existing collections, the intellectual appropriateness of the college as repository, and the ability of the college to house the collection appropriately and make it available to researchers. The college does not dispose of heritage assets.

Heritage assets are managed by the Fellow Librarian and the Domestic Bursar under the oversight of the Library and Archives Committee and the Sub-Committee on Pictures and Historic Chattels. There are three full-time professional librarians and a professional archivist is employed three days per week. The college is a member of the Oxford Conservation Consortium which employs four accredited conservators and four working towards accreditation, who provide preservation expertise and treatment of individual items. Specialist advice is sought when needed. Heritage items are housed in a number of locations throughout the college with special security, fire detection and fire suppression in the main storage areas. The environments of storage areas and rooms housing significant assets are regularly monitored and managed under the guidelines in PAS 198:2012 Specification for managing environmental conditions for cultural collections.

Records of heritage assets are held in a combination of electronic and hard-copy formats. These are freely available for research consultation either online or on site. The college maintains a programme of exhibitions onsite and loans items for display in the context of public exhibitions in the UK and abroad.

Various heritage assets have been acquired during the last five years including purchases amounting to £25.1k (excluding the portrait of Stuart Hall) in the current year (2022: £21.1k).

11 PROPERTY INVESTMENTS

Group	Agricultural £'000	Commercial £'000	Other £'000	**2023 Total £'000**	2022 Total £'000
Valuation at start of year	87,357	45,687	20,034	**153,078**	147,357
Additions and improvements at cost	573	107	33	**713**	197
Disposals	-	(336)	(492)	**(828)**	(12,581)
Revaluation gains/(losses) in the year	747	(1,058)	(380)	**(691)**	18,105
Valuation at end of year	88,677	44,400	19,195	**152,272**	153,078

College	Agricultural £'000	Commercial £'000	Other £'000	**2023 Total £'000**	2022 Total £'000
Valuation at start of year	87,357	36,192	20,034	**143,583**	137,862
Additions and improvements at cost	573	107	33	**713**	197
Disposals	-	(336)	(492)	**(828)**	(12,581)
Revaluation gains/(losses) in the year	747	(1,058)	(380)	**(691)**	18,105
Valuation at end of year	88,677	34,905	19,195	**142,777**	143,583

Estates land and property valuations as at 31 July have been made by the College Land Agent, a Chartered Surveyor, in consultation with an independent firm of Chartered Surveyors, the basis of valuation being market valuation. In a small number of cases valuations have been made solely by the Land Agent, the basis of valuation being market valuation.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2023 £'000	2022 £'000
Group investments		
Valuation at start of year	**188,180**	169,792
New money invested	**14,978**	24,641
Amounts withdrawn	**(18,598)**	(15,914)
(Decrease)/increase in value of investments	**(2,271)**	9,661
Group investments at end of year	**182,289**	188,180
Investment in subsidiaries	**9,514**	9,514
plus: cash reserves within subsidiaries included in group figures above	**(11)**	12
College investments at end of year	**191,792**	197,706

College investments comprise:	Held outside the UK £'000	Held in the UK £'000	**2023 Total £'000**	Held outside the UK £'000	Held in the UK £'000	2022 Total £'000
Equity investments	-	80,994	**80,994**	-	77,133	**77,133**
Global multi-asset funds	-	31,013	**31,013**	-	32,376	**32,376**
Fixed interest stocks	-	8,710	**8,710**	-	10,662	**10,662**
Alternative and other investments	24,079	12,067	**36,146**	28,795	12,968	**41,763**
Fixed term deposits and cash	9,679	15,746	**25,425**	5,759	15,862	**21,621**
Proceeds due from disposal of property	-	-	**-**	-	4,625	**4,625**
Total college investments	33,758	148,530	**182,288**	34,554	153,626	**188,180**

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Merton Enterprises Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Merton College No. 1 Limited, an investment property company.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	2023 Parent College £'000	2023 Merton Enterprises Limited £'000	2023 Merton No. 1 Limited £'000	2022 Parent College £'000	2022 Merton Enterprises Limited £'000	2022 Merton No. 1 Limited £'000
Income	16,037	472	111	14,441	328	93
Expenditure	(18,537)	(405)	(43)	(18,801)	(266)	(47)
Donation to College under gift aid	-	-	-	-	-	-
Result for the year	(2,500)	67	68	(4,360)	62	46
Total assets	361,233	611	9,598	368,667	381	9,557
Total liabilities	(3,307)	(468)	(92)	(5,280)	(243)	(73)
Net funds at the end of year	357,926	143	9,506	363,387	138	9,484

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years.

The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	General Endowment			Restricted	**Total**
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Endowments Total £'000	**Endowments £'000**
At the beginning of the year:					
Gift component of the permanent endowment	88,957		88,957		88,957
Unapplied total return		216,399	216,399		216,399
Restricted endowment funds				31,799	31,799
Total Endowments	**88,957**	**216,399**	**305,356**	**31,799**	**337,155**
Movements in the reporting period:					
Gift of endowment funds	-	-	-	316	316
Investment return: total investment income	-	6,183	6,183	-	6,183
Investment return: realised and unrealised gains and losses	-	(1,220)	(1,220)	(1,753)	(2,973)
Less: Investment management costs	-	(1,850)	(1,850)	(10)	(1,860)
Other transfers	-	-	-	-	-
Total	-	3,113	3,113	(1,447)	1,666
Unapplied total return allocated to income in the reporting period	-	(9,229)	(9,229)	-	(9,229)
Expendable endowments transferred to income	-	-	-	-	-
	-	(9,229)	(9,229)	-	(9,229)
Net movements in reporting period	**-**	**(6,116)**	**(6,116)**	**(1,447)**	**(7,563)**
At end of the reporting period:					
Gift component of the permanent endowment	88,957	-	88,957	-	88,957
Unapplied total return	-	210,283	210,283	-	210,283
Expendable endowment	-	-	-	30,352	30,352
Total Endowments	**88,957**	**210,283**	**299,240**	**30,352**	**329,592**

15 DEBTORS

	2023 Group £'000	2022 Group £'000	**2023 College £'000**	2022 College £'000
Amounts falling due within one year:				
Trade debtors	**554**	512	**468**	417
Amounts owed by College members	**1**	38	**1**	38
Amounts owed by Group undertakings	**-**	-	**374**	147
Loans repayable within one year	**13**	11	**13**	11
Prepayments and accrued income	**1,320**	890	**1,292**	890
Other debtors	**10**	-	**10**	-
Amounts falling due after more than one year:				
Other debtors	**-**	-	**-**	-
	1,898	1,451	**2,158**	1,503

16 CREDITORS: falling due within one year

	2023 Group £'000	2022 Group £'000	**2023 College £'000**	2022 College £'000
Trade creditors	**243**	1,004	**202**	1,004
Amounts owed to College Members	**77**	5	**77**	5
Amounts owed to Group undertakings	**-**	-	**-**	54
Taxation and social security	**81**	182	**43**	24
Accruals and deferred income	**1,027**	750	**927**	738
Other creditors	**174**	355	**170**	355
	1,602	2,296	**1,419**	2,180

17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2023 £'000**
Endowment Funds - Permanent						
General Endowment	305,311	6,118	(1,806)	(9,229)	(1,219)	**299,175**
Fellowship and tutorship Funds:						
Baker Tutorial Support	880	73	-	-	(46)	**907**
Peter Braam Research Fellow	1,417	-	-	-	(77)	**1,340**
Chemistry Tutor	925	-	-	-	(47)	**878**
English Tutor	1,370	2	-	-	(70)	**1,302**
Law Tutor	614	3	-	-	(27)	**590**
Philosophy Tutor	1,199	1	-	-	(63)	**1,137**
Jessica Rawson Modern Asian History Tutor	1,060	-	-	-	(56)	**1,004**
Regius Professorship	-	10	(10)	-	-	**-**
Mark Reynolds History Tutor	1,914	-	-	-	(102)	**1,812**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	637	-	-	-	(36)	**601**
Peter Braam Scholar	425	-	-	-	(23)	**402**
John Barton BCL Scholar	149	-	-	-	(8)	**141**
Christopher Duggan Scholar	639	-	-	-	(69)	**570**
Roger Highfield Scholar	611	6	-	-	(28)	**589**
Charles Manby Scholar	488	-	-	-	(26)	**462**
Moussouris Rhodes Scholar	867	-	-	-	(46)	**821**
Other	101	-	-	-	(5)	**96**
Student Support Funds:						
Taylor Family Foundation	655	-	-	-	(35)	**620**
Reed Rubin Directors of music	764	-	-	-	(41)	**723**
Other	69	-	-	-	(4)	**65**
	320,095	**6,213**	**(1,816)**	**(9,229)**	**(2,028)**	**313,235**

Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,226	-	-	-	(66)	**1,160**
Douglas Algar Humanities Tutor	885	-	-	-	(47)	**838**
Economics Tutor	1,027	-	-	-	(53)	**974**
David Hay Medical Tutor	408	-	-	-	(22)	**386**
Christine Blackwell Classics Tutor	1,819	-	-	-	(92)	**1,727**
Library Fellowship	-	100	-	-	-	**100**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	821	-	-	-	(49)	**772**
David Stevens International Development Scho	461	-	-	-	(25)	**436**
Merton Lawyers BCL/Mjur Scholar	389	-	-	-	(21)	**368**
Merton-Oxford Scholar	571	2	-	-	(38)	**535**
Monica Barnett Law Scholar	166	-	-	-	(9)	**157**
John Moussouris Mathematics Scholar	663	-	-	-	(36)	**627**
Stringer Scholar	541	-	-	-	(29)	**512**
Other	128	8	-	-	(8)	**128**
Student Support Funds:						
General Student Support	2,392	17	-	-	(125)	**2,284**
Howard Stringer Undergraduate Support	1,234	-	-	-	(66)	**1,168**
Undergraduate Student Support	807	64	-	-	(39)	**832**
John Roberts	586	1	-	-	(31)	**556**
Thomas Bowman	325	-	-	-	(20)	**305**
Gerald David Clayton	816	-	-	-	(44)	**772**
Aruna & Arijit Chakraverty Bursaries	-	20	-	-	-	**20**
Choral Foundation	941	8	-	-	(49)	**900**
Compassionate Fund	356	-	-	-	(20)	**336**
Fitzhenry Biomedical Research Fund	151	-	-	-	(9)	**142**
Other Funds	302	-	-	-	(47)	**255**
	17,015	220	-	-	(945)	16,290
Total Endowment Funds - College	337,110	6,433	(1,816)	(9,229)	(2,973)	329,525
Endowment funds held by subsidiaries	45	66	(44)	-	-	**67**
Total Endowment Funds - Group	337,155	6,499	(1,860)	(9,229)	(2,973)	**329,592**
Restricted Funds						
Building Projects	800	343	-	(3)	37	**1,177**
Fellowship and Tutorship funds	495	634	(484)	-	(4)	**641**
Graduate scholarship and student prize funds	1,251	827	(525)	-	-	**1,553**
StudentsSupport funds	891	296	(313)	-	(21)	**853**
Choir	308	273	(191)	(66)	-	**324**
Other funds	358	212	(88)	(61)	-	**421**
Total Restricted Funds - College	4,103	2,585	(1,601)	(130)	12	**4,969**
Restricted funds held by subsidiaries	-	-	-	-	-	**-**
Total Restricted Funds - Group	4,103	2,585	(1,601)	(130)	12	**4,969**
Unrestricted Funds						
General funds	8,163	7,018	(16,331)	9,508	-	**8,358**
Fixed Asset fund	16,667	-	-	(148)	-	**16,519**
Aidan Jenkins graduate scholarship fund	444	-	-	-	-	**444**
Pension reserve	(3,100)	-	1,212	-	-	**(1,888)**
Total Unrestricted Funds - College	22,174	7,018	(15,119)	9,360	-	23,433
Unrestricted funds held by subsidiaries	62	472	(467)	-	-	**67**
Total Unrestricted Funds - Group	22,236	7,490	(15,586)	9,360	-	23,500
Total Funds	363,494	16,574	(19,047)	-	(2,961)	**358,061**

	At 1 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2022 £'000**
Endowment Funds - Permanent						
General Endowment	281,216	5,434	(1,768)	(8,659)	29,088	**305,311**
Fellowship and tutorship Funds:						
Baker Tutorial Support	603	290	-	-	(13)	**880**
Peter Braam Reseearch Fellow	1,473	-	-	-	(56)	**1,417**
Chemistry Tutor	960	-	-	-	(35)	**925**
English Tutor	1,420	1	-	-	(51)	**1,370**
Law Tutor	631	3	-	-	(20)	**614**
Philosophy Tutor	1,245	-	-	-	(46)	**1,199**
Jessica Rawson Modern Asian History Tutor	1,101	-	-	-	(41)	**1,060**
Regius Professorship	195	50	(245)	-	-	**-**
Mark Reynolds History Tutor	1,988	-	-	-	(74)	**1,914**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	663	-	-	-	(26)	**637**
Peter Braam Scholar	442	-	-	-	(17)	**425**
John Barton BCL Scholar	155	-	-	-	(6)	**149**
Christopher Duggan Scholar	682	-	-	-	(43)	**639**
Roger Highfield Scholar	626	5	-	-	(20)	**611**
Charles Manby Scholar	507	-	-	-	(19)	**488**
Moussouris Rhodes Scholar	901	-	-	-	(34)	**867**
Other	99	5	-	-	(3)	**101**
Student Support Funds:						**-**
Taylor Family Foundation	681	-	-	-	(26)	**655**
Reed Rubin Directors of music	794	-	-	-	(30)	**764**
Other	72	-	-	-	(3)	**69**
						-
	296,454	5,788	(2,013)	(8,659)	28,525	320,095
Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,274	-	-	-	(48)	**1,226**
Douglas Algar Humanities Tutor	920	-	-	-	(35)	**885**
Economics Tutor	1,066	-	-	-	(39)	**1,027**
David Hay Medical Tutor	424	-	-	-	(16)	**408**
Christine Blackwell Classics Tutor	1,886	-	-	-	(67)	**1,819**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	857	-	-	-	(36)	**821**
David Stevens International Development Scho	479	-	-	-	(18)	**461**
Merton Lawyers BCL/Mjur Scholar	404	-	-	-	(15)	**389**
Merton-Oxford Scholar	-	580	-	-	(9)	**571**
Monica Barnett Law Scholar	173	-	-	-	(7)	**166**
John Moussouris Mathematics Scholar	689	-	-	-	(26)	**663**
Stringer Scholar	-	580	-	-	(39)	**541**
Other	125	9	-	-	(6)	**128**
Student Support Funds:						
General Student Support	2,467	15	-	-	(90)	**2,392**
Howard Stringer Undergraduate Support	1,282	-	-	-	(48)	**1,234**
Undergraduate Student Support	780	52	-	-	(25)	**807**
John Roberts	608	-	-	-	(22)	**586**
Thomas Bowman	340	-	-	-	(15)	**325**
Gerald David Clayton	848	-	-	-	(32)	**816**
Choral Foundation	974	2	-	-	(35)	**941**
Compassionate Fund	370	-	-	-	(14)	**356**
Fitzhenry Biomedical Research Fund	157	-	-	-	(6)	**151**
Other Funds	329	-	-	-	(27)	**302**
	16,452	1,238	-	-	(675)	17,015
Total Endowment Funds - College	312,906	7,026	(2,013)	(8,659)	27,850	337,110
Endowment funds held by subsidiaries	813	(720)	(42)	(6)	-	**45**
Total Endowment Funds - Group	313,719	6,306	(2,055)	(8,665)	27,850	**337,155**

Restricted Funds						
Building Projects	495	468	(3)	(95)	(65)	**800**
Fellowship and Tutorship funds	487	593	(582)	-	(3)	**495**
Graduate scholarship and student prize funds	1,042	599	(357)	(33)	-	**1,251**
StudentsSupport funds	871	284	(248)	-	(16)	**891**
Choir	193	249	(134)	-	-	**308**
Other funds	342	192	(115)	(61)	-	**358**
Total Restricted Funds - College	3,430	2,385	(1,439)	(189)	(84)	4,103
Restricted funds held by subsidiaries	-	-	-	-	-	**-**
Total Restricted Funds - Group	3,430	2,385	(1,439)	(189)	(84)	4,103
Unrestricted Funds						
General funds	6,852	6,093	(13,930)	9,148	-	**8,163**
Fixed Asset fund	16,961	-	-	(294)	-	**16,667**
Aidan Jenkins graduate scholarship fund	444	-	-	-	-	**444**
Pension reserve	(1,831)	-	(1,269)	-	-	**(3,100)**
Total Unrestricted Funds - College	22,426	6,093	(15,199)	8,854	-	22,174
Unrestricted funds held by subsidiaries	22	328	(288)	-	-	**62**
Total Unrestricted Funds - Group	22,448	6,421	(15,487)	8,854	-	22,236
Total Funds	339,597	15,112	(18,981)	-	27,766	363,494

18 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

General Endowment Fund	Corporate capital, including founder's capital, whose imcome may be spent for general purposes.
Fellowship and Tutorship, Graduate scholarships, student support funds and Reed Directors of Music	Donations made for perpetuitu, whose income may be spent for the restricted purpose described.

Endowment Funds - Expendable:

Fellowship and Tutorship Funds	Donations made for the long term, whose income and capital may both be spent for the restricted purposes described.
Graduate Scholarship and Student Prize Funds:	
Student Support Funds	
Choral Foundation	
Compassionate Fund	
Fitzhenry Biomedical Research Fund	

Restricted Funds:

Building Projects	Donations made for specific College building projects before completion. Funds are transferred tothe Building Project Fund within Unrestricted Funds once the building has been completed.
Fellowship and Tutorship Funds	Unspent income generated from the permanent and expendable endowments above
Graduate Scholarships and Student Prize Funds	and donations made for restricted purposes which the trustees may spend at their discretion.
Student Support Funds	
Choir	

Designated Funds

Fixed Asses Fund	Represents the original cost less accumulated depreciation of the College's fixed assets.
Aiden Jenkins Graduate Scholarship fund	Respresents an unrestricted donation received and designated by the Trustees for a graduate scholarship.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2023 Total £'000**
Tangible fixed assets	16,519	-	-	**16,519**
Property investments	-	-	152,272	**152,272**
Other investments	-	4,969	177,320	**182,289**
Net current assets/(liabilities)	8,870	-	-	**8,870**
Long term liabilities	(1,888)	-	-	**(1,888)**
	23,499	4,969	329,592	**358,062**

Prior Year Analysis of Net Assets Between Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2022 Total £'000**
Tangible fixed assets	16,667	-	-	**16,667**
Property investments	-	-	153,078	**153,078**
Other investments	-	4,103	184,077	**188,180**
Net current assets/(liabilities)	8,669	-	-	**8,669**
Long term liabilities	(3,100)	-	-	**(3,100)**
	22,236	4,103	337,155	**363,494**

20 TRUSTEES' REMUNERATION

The Trustees of the College are the members of the Governing Body, primarily those Fellows who are employed to undertake teaching and research and who sit on Governing Body by virtue of their employment.

No Fellow receives any remuneration for acting as a Trustee. However, those Fellows who are also employees of the College receive salaries in respect of their employment. In the case of teaching and research posts, salaries are set with reference to pay scales applying nationally within the higher education sector and within the University of Oxford. Salaries are determined in all cases by the Governing Body on the basis of recommendations made by the remuneration committee, whose composition is described in the Annual Report of the Governing Body.

Trustees of the College fall into the following categories:
(i) The Warden, who is the Head of College and chairs meetings of the Governing Body and its committees;

(ii) Official Fellows, who are elected to the office of Tutor, Bursar, Librarian, Chaplain, Development Director or other office of the College;
(iii) Professorial Fellows, who are senior members of the University of Oxford;
(iv) Fixed-term research Fellows, who may be either junior career-development employees of the College, or senior academics who are not employed by the College.

College Officers and career-development research Fellows may be accommodated by the College. 27 Fellows (2022: 33) were accommodated in houses, flats or rooms owned by the College during the year. Fellows who are eligible for accommodation but who are not accommodated are paid a housing allowance, which is included within the salary figures below.

Some Fellows receive allowances for work carried out as part-time College Officers, including the Sub Warden, student disciplinary officer and research supervisor. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits included below is £2,368k (2022: £2,388k). The total of pension contributions is £400k (2022: £425k).

Remuneration paid to trustees

	2023		2022	
Range	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£0-£5,000	4	8,457	4	11,997
£5,001-£10,000	5	33,409	5	33,622
£10,001-£15,000	0	-	2	26,016
£15,001-£20,000	1	18,449	0	-
£20,001-£25,000	2	47,796	13	310,827
£25,001-£30,000	8	218,836	5	131,079
£30,001-£35,000	5	161,085	4	124,731
£35,001-£40,000	2	71,527	3	115,190
£40,001-£45,000	0	-	6	259,350
£45,001-£50,000	8	382,223	1	46,158
£50,001-£55,000	1	50,084	2	106,306
£55,001-£60,000	3	175,992	6	341,336
£60,001-£65,000	1	61,979	1	64,151
£65,001-£70,000	0	-	0	-
£70,001-£75,000	2	147,597	0	-
£75,001-£80,000	1	77,574	1	79,028
£80,001-£85,000	3	250,019	1	81,594
£85,001-£90,000	1	86,412	0	-
£90,001-£95,000	0	-	0	-
£95,001-£100,000	0	-	2	196,759
£100,001-£105,000	1	103,776	0	-
£105,001-£110,000	0	-	0	-
£110,001-£115,000	1	112,066	3	335,214
£115,001-£120,000	3	354,727	0	-
£120,001-£125,000	0	-	1	121,325
£125,001-£130,000	1	127,515	0	-
£130,001-£135,000	0	-	2	264,624
£135,001-£140,000	2	278,518	0	-
£140,001-£145,000	0	-	0	-
£145,001-£150,000	0	-	0	-
£150,001-£155,000	0	-	0	-
£155,001-£160,000	0	-	0	-
£160,001-£165,000	0	-	1	163,347
£165,001-£170,000	0	-	0	-
Total	55	2,768,041	63	2,812,654

9 Fellows (2022: 10) were not employed by the college during the year and did not receive any renumberation. All Fellows and all permanent employees of the college are eligible for private health insurance. All Fellows may take meals in college, toether with all employees, who are entitled to take meals whilse working.

Trustee expenses

No Fellow claimed any expenses for work as a trustee

Other transactions with trustees

There were no other transactions between the College and Fellows or related parties.

See also note 27 Related Party Transactions

Key management remuneration

The total remuneration paid to key management, including employer's national insurance contributions, was £3,025k (2022: £3,071k).

Key management are considered to be the Trustees of the College.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis.

Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The College has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

Schemes accounted for under FRS 102 as defined contribution schemes

Actuarial valuations

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results were:

	OSPS	**USS**
Date of valuation:	31/03/2022	31/03/2020
Date valuation results published:	27/06/2023	30/09/2021
Value of liabilities:	£914m	£80.6bn
Value of assets:	£961m	£66.5bn
Funding surplus / (deficit):	£47m	(£14.1bn)
Principal assumptions:		
· Discount rate	Gilts +0.5%-2.25% **b**	Fixed interest gilt yield curve plus 1%-2.75%
· Rate of increase in salaries	RPI	n/a
· Rate of increase in pensions	Average RPI/CPI **(d)**	CPI + 0.05% **(c)**
Assumed life expectancies on retirement at age 65:		
· Males currently aged 65		24.0 yrs
· Females currently aged 65		25.6 yrs
· Males currently aged 45		26.0 yrs
· Females currently aged 45		27.4yrs
Funding Ratios:		
· Technical provisions basis	105%	83%
· Statutory Pension Protection Fund basis	98%	64%
· 'Buy-out' basis	62%	51%
Employer contribution rate (as % of pensionable salaries):	19% down to 16.5% for DB members from 1 Oct 2023	21.4% - 21.6% from 1 April 2022
Effective date of next valuation:	31/03/2025	31/03/2023

a. The discount rate (forward rates) for the USS valuation was:
fixed interest gilt yield curve plus: Pre-retirement 2.75%, port retirement 1.00%

b. The discount rate for the OSPS valuation was:

Pre-retirement:	Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term
Post-retirement:	Equal to the UK nominal gilt curve at the valuation date plus 0.50% p.a. at each term

c. Pension inreases (CPI) for the USS valuation were:
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.10% p.a. to a long term difference of 0.10% p.a. from 2040

d. Increases to pensions in payment for the OSPS valuation were:

RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term pre-2030 and 1.0% p.a post-2030. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. pre-2030 and 0.1% p.a. post-2030).

For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

e. The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	USS Change in assumption	Impact on USS liabilities
Initial pre-retirement discount rate	increase by 0.25%	decrease by £1.3bn
Initial post-retirement discount rate	decrease by 0.25%	increase by £2.8bn
CPI	decrease by 0.10%	decrease by £1.5bn
Life Expectancy	more prudent assumption (reduced the adjustment to the base mortality table by 5%)	Increase by £1.2bn
Rate of mortality	more prudent assumption (increase mortality improvements long-term rates by 0.2%)	increase by £0.6bn

Assumption	OSPS Change in assumption	Impact on OSPS technical
Valuation rate of interest	decrease by 0.25%	increase by 2% of pensionable salaries
RPI	increase by 0.25%	increase by 1.5% of pensionable salaries

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	USS		OSPS	
	2023	2022	2023	2022
Finish Date for Deficit Recovery Plan	31/03/2038	31/03/2038	30/09/2023	31/01/2028
Average staff number increase	nil	nil	nil	nil
Average staff salary increase	3.00%	3.00%	3.00%	3.00%
Average discount rate over period	3.34%	3.34%	3.19%	3.19%
Effect of 0.5% change in discount rate	£66k	£89k	£0k	£14k
Effect of 1% change in staff growth	£132k	£195k	£0k	£47k

A USS provision of £1,851K has been made at 31 July 2023 (2022: £2,236K) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

A OSPS provision of £36K has been made at 31 July 2023 (2022: £925K) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	**2023 £'000**	**2022 £'000**
Universities Superannuation Scheme		
Continuation Charges	540	489
Pension provision change	-460	1,303
University of Oxford Staff Pension Scheme		
Continuation Charges	590	552
Pension provision change	-854	-51
Other schemes – contributions	15	19
Total	-169	2,312

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the companies under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2023	2022
	Group	Group
	£'000	£'000
Net income/(expenditure)	(5,434)	23,897
Elimination of non-operating cash flows:		
Investment income	(7,481)	(5,895)
(Gains)/losses in investments	2,961	(27,766)
Endowment donations	(316)	(1,592)
Depreciation	1,167	1,180
(Surplus)/loss on sale of fixed assets	(10)	(3)
Decrease/(Increase) in stock	(103)	(39)
Decrease/(Increase) in debtors	(447)	103
(Decrease)/Increase in creditors	(694)	509
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(1,212)	1,269
Net cash provided by (used in) operating activities	**(11,569)**	(8,337)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£'000	£'000
Cash at bank and in hand	**8,059**	9,102
Endowment assets cash	**25,426**	21,621
Total cash and cash equivalents	**33,485**	30,723

25 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.

	2023	2022
	£'000	£'000
Land and buildings		
	-	-
Other		
	-	-

The College had a contracted commitment at 31 July in respect of a gift agreement with the University of Oxford for the Regius Professor of Mathematics totalling £428k (2022 £438k).

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £404k (2022 - £670k).

27 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The College has made equity housing loans to the following Fellows who are employees on the basis the capital sums repayable are linked to the value of the property on which the loan is secured. These loans are repayable in full when the Fellow demits from office and are classified as property investments in the balance sheet.

	2023	2022
	£'000	£'000
Mr J Gloag	**60**	60
Dr P Thornton	**360**	360
Dr M Whitworth	**155**	155
Prof M Higgins	**-**	209

28 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly within the College's control.

29 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial position.

30 PRIOR YEAR COMPARATIVES

Consolidated Statement of Financial Activities for the Year ended 31 July 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2022 Total £'000**
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	5,468	-	-	**5,468**
Public worship	-	-	-	**-**
Heritage	-	-	-	**-**
Other Trading Income	672	-	-	**672**
Donations and legacies	256	1,205	1,592	**3,053**
Investments				**-**
Investment income	1	1,180	4,714	**5,895**
Total return allocated to income	8,659	-	(8,659)	**-**
Other income	24	-	-	**24**
Total income	**15,080**	**2,385**	**(2,353)**	**15,112**
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	14,327	1,439	245	**16,011**
Public worship	-	-	-	**-**
Heritage	-	-	-	**-**
Generating funds:				
Fundraising	696	-	-	**696**
Trading expenditure	464	-	-	**464**
Investment management costs	-	-	1,810	**1,810**
Total Expenditure	**15,487**	**1,439**	**2,055**	**18,981**
Net Income/(Expenditure) before gains	**(407)**	**946**	**(4,408)**	**(3,869)**
Net gains/(losses) on investments	-	(84)	27,850	**27,766**
Net Income/(Expenditure)	(407)	862	23,442	23,897
Transfers between funds	195	(189)	(6)	**-**
Other recognised gains/losses				
Gains/(losses) on revaluation of fixed assets	-	-	-	**-**
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	**-**
Net movement in funds for the year	(212)	673	23,436	23,897
Fund balances brought forward	22,448	3,430	313,719	**339,597**
Funds carried forward at 31 July	22,236	4,103	337,155	363,494

31 PRIOR YEAR COMPARATIVES

STATEMENT OF INVESTMENT TOTAL RETURN FOR THE YEAR ENDED 31 JULY 2022

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	General Endowment			Restricted	**Total**
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000	Endowments Total £'000	**Endowments £'000**
At the beginning of the year:					
Gift component of the permanent endowment	88,957		88,957		88,957
Unapplied total return		193,072	193,072		193,072
Restricted endowment funds				31,690	31,690
Total Endowments	**88,957**	**193,072**	**282,029**	**31,690**	**313,719**
Movements in the reporting period:					
Gift of endowment funds	-	-	-	1,592	1,592
Investment return: total investment income	-	4,714	4,714	-	4,714
Investment return: realised and unrealised gains and losses	-	29,088	29,088	(1,238)	27,850
Less: Investment management costs	-	(1,810)	(1,810)	-	(1,810)
Other transfers	-	(6)	(6)	(245)	(251)
Total	-	31,986	31,986	109	32,095
Unapplied total return allocated to income in the reporting period	-	(8,659)	(8,659)		(8,659)
Expendable endowments transferred to income	-		-		-
	-	(8,659)	(8,659)		(8,659)
Net movements in reporting period	**-**	**23,327**	**23,327**	**109**	**23,436**
At end of the reporting period:					
Gift component of the permanent endowment	88,957	-	88,957		88,957
Unapplied total return	-	216,399	216,399		216,399
Expendable endowment	-	-	-	31,799	31,799
Total Endowments	**88,957**	**216,399**	**305,356**	**31,799**	**337,155**

THE WARDEN AND SCHOLARS OF THE HOUSE OR COLLEGE OF SCHOLARS OF MERTON IN THE UNI

England & Wales - Charity number 1139022

Accounts

MERTON
COLLEGE
OXFORD

Annual Report and Financial Statements
Year ended 31 July 2022

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MEMBERS OF THE GOVERNING BODY 1 August 2021 to 31 July 2022

The members of the Governing Body, who are Fellows of the College, are the College's charity trustees. The members of the Governing Body who served in office during the year or at the date of this Report are detailed below.

		1	2	3	4	5
Mr Charles Alexander		•	•	•	•	
Dr Jennifer Altehenger			•			
Professor Rhiannon Ash			•			
Professor Alan Barr		•	•			
Dr Kathryn Blackmon		•	•			
Dr David Brantner	(resigned 30.09.21)					
Dr Alice Brooke			•	•		
Dr Gwen Burnyeat						
Professor Mindy Chen-Wishart			•			
Mr Mark Coote					•	
Dr Lisandra Costiner	(fellowship ended 30.09.21)					
Dr Helen Craske	(appointed 01.10.21)					
Dr Chloe Deambrogio	(appointed 01.10.21)					
Dr Brianne Kathleen Dolce	(appointed 01.10.21)					
Dr Daniela Dover	(appointed 24.03.22)		•			
Dr Francis Dunn						
Frater John Eidinow		•	•			
Professor Artur Ekert					•	•
Professor Radek Erban			•			
Dr Hadleigh Frost	(appointed 01.10.21)					
Professor John Geddes	(elected 01.11.21)					
Mr John Gloag		•				
Professor Veronique Gouverneur			•			

Dr Jane Gover			•	•		
Professor Daniel Grimley	(resigned 30.04.22)	•	•			
Dr Matthew Grimley			•		•	
Professor Timothy Guilford			•	•		
Professor Steven Gunn			•			
Professor Matthew Higgins			•			
Professor Peter Holland					•	
Professor Simon Hooker			•			
Professor Ehud Hrushovski						
Professor Lorna Hutson						•
Dr Nicholas Irwin						
Dr Xiangyu (Michael) Jie						
Revd Canon Dr Simon Jones		•	•	•	•	
Dr Vatsal Khandelwal	(appointed 01.10.21)					
Professor Julian Knight			•			
Dr Madhavi Krishnan			•	•		
Professor Nathaniel Lane			•			
Professor Irene Lemos						
Mr Timothy Lightfoot		•	•	•		
Mr Andrew Mackie						
Professor Ian Maclachlan		•	•			
Professor Richard McCabe			•			
Professor Alan Morrison		•				
Dr James Newton	(appointed 01.10.21)		•			
Dr Elias Nosrati	(fellowship ended 31.12.21)					
Professor Béla Novák						•
Professor Luke Ong	(resigned 31.07.22)		•		•	

Professor David Paterson			•			
Professor Jennifer Payne			•			
Professor Jonathan Prag			•			
Professor Thomas Richards			•			
Dr Marc Roth	(resigned 30.09.21)					
Dr Emily Rutherford						
Professor Simon Saunders			•			
Dr Daniel Sawyer						
Professor Alexander Schekochihin			•			
Professor Alexander Scott			•			
Professor Helen Small		•		•		
Dr Henry Spelman						
Dr Elizabeth Stubbins Bates	(fellowship ended 30.09.21)					
Dr Collis Tahzib	(resigned 30.09.21)					
Dr Bassel Tarbush			•	•		
Dr Matthew Thomson	(resigned 31.08.21)					
Professor Patricia Thornton			•	•		
Professor Ulrike Tillmann	(resigned 30.09.21)					
Professor Irene Tracey		•	•	•	•	
Dr Julia Walworth			•	•	•	
Professor Hugh Watkins						
Prof Michael Whitworth			•			
Professor Sir Andrew Wiles						

During the year, the major activities of the Governing Body were carried out through five main committees (further details on these committees are provided in the Report of the Governing Body below). The membership of these committees is shown above for each Fellow.

1. Finance Committee
2. Warden & Tutors Committee
3. Graduate Committee
4. Development Committee
5. Remuneration Committee

COLLEGE SENIOR STAFF

The senior staff of the College were as follows for the year ended 31 July 2022:

Professor Irene Tracey	Warden
Dr Kathryn Blackmon	Sub Warden
Mr Charles Alexander	Finance Bursar
Mr Timothy Lightfoot	Domestic Bursar
Mr John Gloag	Estates Bursar & Land Agent
Revd Canon Dr Simon Jones	Chaplain
Fra' John Eidinow	Dean & Keeper of Statutes
Dr Jane Gover	Senior Tutor
Mr Mark Coote	Development Director
Dr Julia Walworth	Librarian

COLLEGE ADVISERS

Investment Managers

Legal & General, One Coleman Street, London EC2R 5AA

Schroder & Co. Limited, 31 Gresham Street, London EC2V 1QA

Cerno Capital Partners LLP, 34 Sackville Street, London W1S 3ED

Auditors

Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Bankers

Barclays Bank plc, Oxford City, 54 Cornmarket Street, Oxford OX1 3HB

Solicitors

HCR Hewitsons, Elgin House, Billing Road, Northampton NN1 5AB

Mills & Reeve, 112 Hills Road, Cambridge CB2 1PH

Penningtons Manches, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Wilsons LLP, Alexandra House, St Johns Street, Salisbury SP1 2SB and, Lincoln's Inn Fields, London WC2A 3AA

Surveyors

Savills, Wytham Court, 11 Westway, Oxford OX2 0QL

Gerald Eve LLP, 72 Welbeck Street, London W1G 0AY

Other

Peninsula Business Services, 2 Cheetham Hill Road, Manchester M4 4FB

College address
Merton Street, Oxford OX1 4JD

Website
www.merton.ox.ac.uk

REPORT OF THE GOVERNING BODY

Under the Charities Act 2011, the Governing Body presents its Annual Report for the year ended 31 July 2022 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Merton College is a charitable corporation founded as a self-governing community of scholars first in Malden, Surrey, and then in Oxford, by Walter of Merton, Lord Chancellor of England and Bishop of Rochester, with royal consent under statutes dated 1264 and 1274. The full legal name of the College is 'The Warden and Scholars of the House or College of Scholars of Merton in the University of Oxford'. The term 'Fellows' latterly replaced 'Scholars', and the Fellows elected under Statute 4.2(a) of the College Statutes, together with the Warden, who is the head of the College, comprise the Governing Body of the College. The College registered with the Charities Commission on 15 November 2010 (registered number 1139022). Prior to that date the College was an exempt charity under section 3(5a) of the Charities Act 1993, as listed in Schedule 2(b) to that Act.

The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 3 to 7.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes approved by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Archbishop of Canterbury. The Governing Body is self-appointing, and membership is subject to review and renewal every seven years and lapses with retirement from office.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by five main committees and thirty ancillary or subsidiary committees, forums and panels.

Recruitment and training of members of the Governing Body

New Fellows are elected to the Governing Body on the basis of their knowledge of and contribution to education, learning and research within the College and the University of Oxford, or on the basis of their possession of professional and administrative qualifications and skills that will enable them to advise and assist other members of the Governing Body.

Recommendations concerning appointments to Fellowships are made to the Governing Body by committees convened specifically for the purpose and chaired by the Warden. Appointment committees include expert members recruited from outside the College, and academic appointments may be made by joint process with a faculty or department of the University of Oxford.

New members of the Governing Body are inducted into the workings of the College, including their role as trustees and Governing Body policies and procedures by the senior staff of the College, are provided written reference material explaining their roles, and may attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College other than as provided for by the Statutes of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which are Fellows not employed by the College and external members. Where practical, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior College staff is set by the Governing Body on the advice of the Remuneration Committee in line with market norms.

Organisational management

The Governing Body meets at least nine times a year. The work of developing and monitoring the implementation of its policies is mostly carried out by five committees, described below.

Finance Committee

The Committee is responsible for advising the Governing Body on all matters concerning finance, financial administration, investment, accounting and risk management. The Committee is also responsible for the administration of the terms and conditions of employment of non-academic staff and academic staff who are not members of Governing Body (the Remuneration Committee is responsible for members of Governing Body, and employment issues may also be considered by the Equality Forum). The Committee is chaired by the Warden and has up to fourteen members, including up to three members with relevant skills who are not members of the Governing Body and include the College Accountant. It meets at least six times each year. There is an Investment Sub-Committee consisting of four members of the Governing Body, including the Warden and up to five members who have relevant professional skills and experience and who are not members of the Governing Body. There is also a Benefactions Sub-Committee tasked with ensuring the appropriate use of restricted donations made up of up to five life members of the College.

Academic Committees ('Warden & Tutors' Committee' and 'Graduate Committee')

The Warden and Tutors' Committee has delegated authority to make and enforce regulations on all matters concerning junior members, including their academic work, welfare, recreational use of College facilities, and disciplinary matters. The Committee reports to the Governing Body its decisions on all matters of principle on these topics, and makes recommendations to the Governing Body on other relevant matters, including material changes to the range and focus of educational activities.

The Committee is chaired by the Warden and its more than thirty members include the Senior Tutor, the subject Tutors, the Finance and Domestic Bursars, the Dean & Keeper of Statutes, the Librarian, the Chaplain and the Academic Registrar. The Committee meets at least twelve times each year. Undergraduate representatives attend at least one meeting per term. Subsidiary committees are responsible for considering student discipline, teaching needs, access and schools liaison, and student support.

The Graduate Committee considers all matters related to postgraduate members. It is chaired by the Warden and convened by the Senior Tutor, with academic membership representing all four divisions of the University, key College Officers including the Dean of Graduates and graduate student representatives. It meets three times per year.

Development and Alumni Relations Committee

The Committee is responsible for the oversight and co-ordination of fundraising and alumni relations activities undertaken by the College, for the recommendation of policy on fundraising and alumni relations, and for the consideration of matters concerning the external relations of the College. It also has responsibility, delegated from Governing Body, for the acceptance of gifts. The Committee is chaired by the Warden and has fourteen members, including the Development Director, two student representatives and three other members with relevant skills and experience who are not members of the Governing Body. It meets at least three times each year.

Remuneration Committee ('Committee on Stipends and Allowances')

The Committee is responsible for making recommendations to the Governing Body concerning the remuneration and benefits of any member of the Governing Body who is employed by the College, or any College Officer who is not a member of the Governing Body. There are seven members of the Committee, no member of the Committee may be an employee of the College, and the chair and three other members may not be members of the Governing Body. The Committee usually meets once annually or otherwise as required.

Other Committees

Apart from the main committees, there are committees devoted to specific areas of College life including Buildings, Chapel and Patronage, IT Services, Library, and Sports. The Domestic Committee oversees all the domestic arrangements of the College. There are student representative members on most of these committees. There is also a Research Committee reporting directly to the Governing Body.

The Statutes & Bylaws Committee is tasked with reviewing the statutes, bylaws, regulations and policies of the College and usually meets three times a term. The Fellowship & Appointments Committee is tasked with making recommendations to Governing Body concerning election of Fellows and other appointments. It meets at least once a term.

The day-to-day running of the College is delegated to the Warden, supported by the Sub Warden, Senior Tutor, Tutors, Bursars, Chaplain, Dean & Keeper of the Statutes, Librarian and Development Director. The Warden attends meetings of nearly all the Governing Body's Committees.

Group structure and relationships

The College administers many special funds as detailed in the notes to the financial statements.

The College has a wholly owned non-charitable subsidiary, Merton Enterprises Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton Enterprises Limited comprise letting of the College facilities and merchandise sales.

The College has a wholly owned non-charitable subsidiary, Merton College No. 1 Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton College No. 1 Limited comprise the purchase, development and sale of land and property.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects for the public benefit are: to advance education, learning, research, and religion through the provision of a college in Oxford or elsewhere.

The College's Aims for the public benefit are to achieve the highest outcomes in education, learning and research at national and international level; and to maintain the College Chapel as a place of public worship pursuing the highest standards of liturgical, homiletical, and musical excellence.

The Aims for the College's subsidiaries are to help finance the achievement of the College's Objects.

Activities of the College

The College's principal activity is the advancement of education and learning, through provision of teaching and educational support, to approximately 600 resident undergraduate and graduate students who have been admitted as members of the College and who are engaged on a course of studies leading to the award of a degree in the University of Oxford, through the appointment or employment of Fellows and academic staff who are actively engaged in research, through the provision of accommodation and support facilities and through the provision of research grants to Fellows and students.

Public benefit

The Governing Body intends that the benefits of education and learning provided by the College should be available to the widest possible range of suitably qualified candidates, irrespective of background, and takes careful note of the guidance provided by the Charity Commission on public benefit, the advancement of education and fee-charging.

To this end, the College participates with the University of Oxford and other colleges and institutions in Oxford in an access bursary scheme to provide financial assistance to eligible home undergraduate students.
See http://www.ox.ac.uk/students/fees-funding/ for details of the Oxford Bursary Scheme.

In order to encourage applications from excellent students who might not otherwise consider applying for admission to the College, the College employs a Schools Liaison and Access Officer and operates an outreach programme, including schools visits, visits to the College, open days and provision of information, to establish and maintain contact with schools, school teachers and students.

The College retains a team of welfare and medical advisers, who provide support and confidential counselling to students and staff who are distressed or who have special needs, and who may authorise grants and funding for referrals for specialist professional treatment or advice.

Students are provided with opportunities to contribute to College policies and practices, through participation in College committees, through formal and informal interaction with College Officers and Fellows, and through voluntary surveys and assessment processes.

The College operates student support funds which may be used to make grants to any student in financial hardship, including grants to supplement funding shortfalls and grants for special academic needs.

The College provides scholarship funds to graduates and makes grants to all students for books and equipment and travel and other research related activities.

The College provides residential accommodation for approximately 300 undergraduates and 170 graduates.

The Equality Forum comprises seven members drawn from the Governing Body, four student members, seven staff members (a College Lecturer, the HR Manager, the Academic Registrar, the SLAO, the SSA, and two non-academic employees of the College who are not members of GB) and one external member. The Forum considers and makes recommendations concerning equality in all aspects of College life, including admission of students and student provision and progress, as well as employment issues. The Governing Body appoints one of its members as Equality Adviser.

The College is normally open to the public during visiting hours throughout most of the year. Chapel services are open to members of the public.

ACHIEVEMENTS AND PERFORMANCE

The Impact of Covid-19

The College returned to normal operations in 2021-22. The College maintained the necessary policies and protocols to keep students and staff safe. College life recovered from the restrictions needed at the height of the pandemic. The College saw some continued impact on its financial position as the conference business recovered from the much reduced levels during the height of the pandemic. The summer saw conference activity return to pre-covid levels. The need for additional expenditure relating to the pandemic came to an end in the year. For example, the marquee used to facilitate socially distanced dining was taken down in March 2022.

Undergraduate students

317 students were enrolled for undergraduate degree courses at the University of Oxford during the year. Of these, 243 were ordinarily resident in the UK and 74 were ordinarily resident overseas (including in the EU). 179 were studying humanities and social sciences subjects and 138 were studying mathematics, medicine and physical sciences. 128 undergraduates held College scholarships during the year.

80 undergraduates took Final Honour Schools examinations at the University of Oxford in 2022 (including 10 fourth-year students classified by Pass/Distinction outcomes on the MSc-level year). Of the 70 students classified for first-class, 2.1, or 2.2 degrees, 38 (54.3%) achieved Firsts (down slightly from 59% in 2021), 25 (35.7%) achieved 2.1s (down slightly from 38.5%) and 7 (10%) achieved 2.2 degrees (up from 2.6% in 2021). No students obtained a Third. Of the 10 undergraduates taking MSc-level, fourth-year exams, 9 (90%) were awarded distinctions.

Graduate students

195 graduate students were enrolled for research study leading to the DPhil degree at the University of Oxford during the year, of whom 54 were studying humanities, 79 were studying mathematics and physical sciences, 26 were studying social sciences, and 37 were studying medical sciences.

73 students were enrolled for other graduate degrees at the University of Oxford, including the EMBA/MBA, BCL/MJur, MSc, MSt, MPhil, and BPhil.

40 graduates were awarded DPhil degrees and 35 graduates were awarded other graduate degrees during the year.

25 graduates were elected to College scholarships.

Scholarships, bursaries, grants and prizes

Expenditure during the year was as follows:

Undergraduates	
Oxford Bursaries	£60,525
Prizes	£24,827
Scholarships	£63,167
Other grants	£138,022
Graduates	
Scholarships	£803,523
Research and other grants	£28,208
All students	
Student support and book grants	£117,280

Welfare and special needs

The annual cost of staff time (Chaplain, Senior Tutor, Academic Registrar, Nurse, Doctor and Junior Deans for Welfare) and other cost of welfare provision (including a contribution to the University Counselling Services) is of the order of £80,000, 21.1% (108) of the total student population in 2021-22 (62 undergraduates and 46 graduates) had known disabilities or long-term health conditions.

Schools liaison

The College engaged in over 32 in-person and online schools liaison activities during the 2021-22 academic year reaching thousands of students, particularly in the South West of England (Merton's main regional link area). These were either Merton-only events or were held in conjunction with the University of Oxford or other Oxford or Cambridge Colleges. Work continued with the South West Consortium (Merton College, Exeter College and Lady Margaret Hall) and this is expected to develop in the coming years. Schools liaison activities included visits to schools/colleges, workshops focusing on different aspects of applications, taster lectures, and development of pupils' thinking and wider academic skills. Sessions were intended to raise educational aspirations, inform course choices, highlight the benefits of higher education (including studying at Oxford /Merton), and clarify Oxford's application processes. For the first time since the pandemic, the University and Merton College held three in-person Open Days during the 2022 summer, with over 1000 visitors attending on each day.

The College continued to develop its work with the Social Mobility Foundation, a UK wide charity aiming to improve the social mobility of young people, and hosted a 3-day residential visit to the College for a group of year 12 students.

The annual cost of employing a Schools Liaison and Access Officer, together with associated costs, was of the order of £31,600 – slightly higher than in the previous year due to the post being filled for a greater proportion of the year.

Library

The College Library provides support for teaching, learning, and research by members of the College and visiting researchers through resources, professional assistance, and through maintaining spaces conducive to productive study. The Library also contributes to the effective running of the College administration through management of records, archives, and provision of information. The Library and Archives Committee, which reports to Governing Body, has representation from Fellows, undergraduates, and postgraduates. Decisions about library services are informed by regular user experience surveys, and by informal communications. The College supports staff membership in professional organisations, and staff maintain awareness of best practice through participation in University and professional groups. The College is a member of the Oxford Conservation Consortium to provide professional care and advice in relation to heritage collections.

Library reading rooms re-opened this year, and pre-pandemic library services resumed. Timely access to printed books continues to be highlighted on annual undergraduate surveys as the library's most highly-valued service along with study space. A total of 760 print books were acquired of which 70 were gifts. The library also participates in an initiative to coordinate the purchase of e-publications across the collegiate University. There were 16 accessions to the archives this year; 5 gifts and 11 internal transfers.

The Library aims to care for special collections, archives, and heritage material to professional standards, to make them known to researchers and the public, and to make them physically accessible for research and for teaching. This year the Library received 138 research visits to consult heritage items. Staff responded to 260 written research enquiries (exclusive of reprographic requests). In Trinity Term 2022 the Library re-introduced study visits for special interest and academic groups, such as 6th-form History students from Robert Smyth Academy, Market Harborough.

The historic library re-opened this summer from mid-June 2022, with daily tours offered for members of the public. There were 496 visitors in June and July 2022. The summer exhibition, 'A Closer Look' featured decorated medieval manuscripts and 15th-century books.

Fellows

For the 2021-22 academic year, new Fellows in post were Dr James Newton (Tutor in Mathematics), Dr Brianne Dolce (Fitzjames Research Fellow in Music), Dr Chloe Deambrogio (Junior Research Fellow in Law), Dr Vatsal Khandelwal (Peter J Braam Junior Research Fellow in Global Wellbeing), Dr Helen Craske (Junior Research Fellow in Modern Languages), Dr Hadleigh Frost (Junior Research Fellow in Mathematics), Professor John Geddes (WA Hadley Professor of Psychiatry) and Professor Daniela Dover (Tutor in Philosophy).

Professor Luke Ong left the College in July 2022 to take up a post at Nanyang Technical University in Singapore. In September 2022, Professor Simon Saunders retired from his Tutorship in Philosophy and Dr Emily Rutherford (a Junior Research Fellow in History) resigned to take up a new role in Oxford.

Employment costs were, in respect of Teaching Fellows, £2,074 thousand for the year; in respect of other teaching staff £542 thousand for the year and in respect of Research Fellows and other Fellows (including stipends paid to part-time College Officers) £671 thousand for the year.

Research grants of £135 thousand were made to Fellows during the year.

The 55 academic Fellows on the College's Governing Body included 18 Mathematical, Physical and Life Scientists, 19 scholars in the Humanities, 12 in the Social Sciences and 6 in the Medical Sciences. The research interests of Fellows are described further at http://www.merton.ox.ac.uk/fellowsandresearch/fellows.shtml

Chapel

Daily public services were held in the College Chapel throughout the academic year. The main service of the week was on Sunday evening, and it attracted an average in-person attendance of 110. Over twenty junior members participated in the running of the Chapel, and the Chaplain was assisted by an Associate Chaplain in Michaelmas Term, and a Lay Assistant Chaplain in Hilary and Trinity Terms (providing maternity cover for the Associate Chaplain). Five infant baptisms and eight weddings took place in the Chapel. Most Chapel collections are donated to charitable causes. In 2021-22 a total of £4,200 was donated to Christian Aid, Medical Aid for Palestinians, the UN Refugee Agency, Daybreak, the Oxford Parent Infant Project, the Charlie Waller Trust, and the Oxford Winter Night Shelter.

In relation to the building, a new sound system was installed during the course of the year, and a further stage of the lighting project was completed. A quinquennial inspection of the Chapel was carried out, and its recommendations taken forward.

Choral Foundation

A full complement of 26 choral scholars, 5 choral bursary holders, and two organ scholars have contributed to the services in Chapel on a Sunday, Tuesday and Thursday. On a Wednesday the service is sung by 24 girl choristers, who are drawn from ten different schools across Oxford. All choral services during the academic year were livestreamed through the College Choir's YouTube account. The College Choir recorded and broadcast live two services for BBC Radio 3 in November 2021.

In March 2022, a short trip to the West Country enabled the College Choir to lead workshops and singing sessions in schools in Swindon and Bath. In April 2022, the ***Passiontide at Merton*** festival was established after a break of two years, and included a performance of Mozart's ***Mass in C minor***, performed by both the College Choir and the girl choristers in the Sheldonian Theatre. In June 2022, the College Choir recorded a disc of Christmas music of the BBC Music Magazine, and in July recorded a disc of English anthems and canticle settings with the Britten Sinfonia. The girl choristers sang Evensong at Westminster Abbey in April 2022, and in August 2022 they enjoyed a residential trip to Dean Close School, Cheltenham, singing services in Gloucester Cathedral and Tewkesbury Abbey, and giving a concert at a College Living in Rushall, Wiltshire. The College Choir toured the east-coast of the USA in September 2022, including performances at Harvard and Princeton universities. The College Choir premiered Cheryl Frances-Hoad's ***Merton Responses*** and ***Merton Service*** and Frances Grier's ***Osanna Filio David*** during the course of the year.

Capital projects

There were no major capital projects undertaken in 2021-22.

Within routine property expenditure, replacement double glazing was installed to student accommodation in Rose Lane 4. New fire detection and emergency lighting systems were installed in Fellows' Quad staircases 3 and 4 and to student houses at 1, 4, 7, 8, 9, 10, 12 and 18 Manor Place.

The College completed the refurbishment of the archway between Front Quad and St Albans Quad, including the installation of a plaque to recognize donors to the 750th Anniversary Campaign. Subsequently, the area was renamed the Benefactors Arch.

Fundraising

The financial year 2021-22 continued the momentum created as the College emerged from the Covid pandemic, with sustained opportunities to re-engage with alumni groups and hold face-to-face gatherings and reunions once again. Support for the College and its activities, from donors and well-wishers, was consistently good and the Development Office was able to register another strong year of financial support.

The College's fundraising activities focused on securing funds within a number of key areas, which included Tutorships, Graduate Scholarships, bursaries for undergraduates, the Library, the Chapel and support for students in hardship. In December 2021 the College completed a campaign to endow a Tutorship in Physics in perpetuity in memory of the late Professor Michael Baker. £1 million was raised over a number of financial years to secure this teaching post for future generations. Excellent progress was also made with Graduate Scholarships, most notably with a syndicate of Mertonians, which funded two new endowed Graduate Scholarships, attracting further support from the University. £1.74 million was raised which included £580,000 of University match funding.

The College held two successful Telethons, in December 2021 and March/April 2022. Student callers helped raise almost £250,000 in total towards a variety of College causes. There were two direct mail appeals, featuring a broad menu of published fundraising projects, sent to alumni in the US in November 2021 (in cooperation with the Merton College Charitable Corporation), and followed by a similar campaign for those in the UK and other parts of the world in July 2022. These mailings helped build significant progress in preserving the medieval stained-glass windows in the Upper Library, funded scholarships for Black British postgraduates as well as a Ukrainian refugee student. A new women's boat for the Boat Club was purchased, the Merton Choir received financial support as did the Gardens with a meadows re-wilding project. Additionally, 95% of 2022 undergraduate leavers made donations of £12.64 each in support of student welfare and mental health. The leavers' donations were once again matched by an alumnus donor.

During the year, the College received £3.053 million in donations and legacies. Of the overall cash donated, £393,000 was received in respect of Fellowships (teaching and research), £1.494 million towards Graduate Scholarships, £108,000 in respect of Student Support and the Student Experience, £468,000 for buildings projects, and £334,000 for other purposes. £256,000 was received in unrestricted donations. A total of £4.057 million was pledged in new funds.

The College is registered with the Fundraising Regulator and employs full-time professional staff in the Development Office to act on its behalf in this area and to ensure that it is compliant with the Code of Fundraising Practice. The College did not receive any complaints relating to its fundraising activities.

FINANCIAL REVIEW

Total income for the year, £15.112 million, was £1.265 million higher than the preceding year, which resulted from increases in teaching research and residential income (£825 thousand), trading income (of £655 thousand) and in donations and legacies (up £339 thousand) offset by declines in investment income (£440 thousand) and other income (£174 thousand).

Total expenditure was £18.981 million, an increase of £2.012 million. Net income showed a deficit of £3.869 million. Net gains on investments were £27.766 million. Total funds and net assets increased to £363.494 million from £339.597 million.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its financial obligations in the event of an unexpected revenue shortfall and to provide a buffer that would ensure uninterrupted services.

Free reserves at the year-end amounted to £8.225 million (2021: £6.874 million), representing net current assets less creditors falling due after more than one year and designated reserve.

The College's target is to maintain free reserves of at least two to four months of expected expenditure. Year-end free reserves represented nearly six months of expected expenditure.

Total funds of the College and its subsidiaries at the year-end amounted to £363.494 million (2021: £339.597 million). This includes endowment funds of £337.155 million and unspent restricted funds totalling £4.103 million. Designated reserves at the year-end comprised of the book value of tangible fixed assets of £16.667 million to be spent over their useful economic lives and £0.444 million representing an unrestricted donation received and designated by the Trustees for a graduate scholarship to be spent over the next ten to twenty years.

Going concern

The Governing Body has considered whether to adopt the going concern basis in preparing these financial statements. In support of this, it has received several briefings on the College's finances from the Finance Bursar. The College has a healthy cash position, owns substantial endowed resources, enjoys healthy levels of demand from prospective students, and is ready and able to constrain expenditure growth if necessary. The Governing Body is therefore confident that the College has more than adequate resources to continue its activities for the foreseeable future, and considers that there are no uncertainties concerning the College's viability.

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas. With the return to normal operations as the pandemic eased, the College ceased to convene the Bronze Group that had met throughout the pandemic. The College has noted the lesson learnt from the Bronze Group as part of its day-to-day management processes and its business continuity and disaster recovery planning.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that robust systems are in place to manage these risks. The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised as follows:

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest;
- Operational risks- e.g. the impact of the Covid-19 pandemic, service quality and development, contract pricing, employment issues, health and safety issues, fraud and misappropriation;
- Financial risks- e.g. accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, investment management;
- External risks- e.g. public perception and adverse publicity, demographic changes, government policy; and
- Compliance with law and regulation- e.g. breach of trust law, employment law, data protection law, and regulative requirements of particular activities such as fund-raising.

The College recognises the risks posed by climate change and is taking action across its operations, its estates and its investments to reduce its carbon footprint. The College has taken a number of steps to enhance sustainability and biodiversity across its activities, including measuring its current impacts, making its buildings more energy efficient, reducing consumption, greater recycling and reducing waste, particularly food waste, and increasing sustainable sourcing. On the College's estates, the College has completed a natural capital and biodiversity audit and is reviewing alternative land use strategies and government schemes to reduce carbon output from farming and develop carbon sequestration where possible. In 2020, the College moved the entirety of its developed market listed equity portfolio to an ESG tilted tracker, thereby reducing the carbon emissions intensity of the portfolio by over 40%. More details of all these initiatives can be found on the College's website.

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;
- Providing appropriate training to all members of staff and at the induction of new fellows;
- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;
- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and data & information security policies; and
- Ensuring the appropriate insurance policies are in place and reviewed regularly.

The College identifies the risks it faces, the potential impact of each risk, the likelihood of recurrence, the severity of impact, and the steps taken to mitigate each particular risk in its Risk Register, which is regularly reviewed by the Finance Committee and approved by Governing Body.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future needs by:

- achieving a nominal return on investment sufficient to maintain or increase the real value of the investments and meet the spending objectives of the College; and
- delivering this objective within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. The College does not use a fixed formal benchmark but compares performance with a wide range of investment indices and investor performance data. The College has made a number of direct and indirect investments that have explicit or implicit socially responsible objectives; its Investment Policy, available on the College's website, includes the College's policy in relation to Socially Responsible Investment.

Investment strategy, policy and performance are monitored by the Finance Committee and its Investment sub-committee.

At the year end, the College's aggregate long term investments totalled £341.258 million, of which £305.960 million was general endowment and the composition of which is shown in the notes to the financial statements.

The overall total investment return on the general endowment before external expenses was as follows:

Annualised total net return (in GBP) %

Merton College	12.4%
Global Equities	2.7%
UK Equities	12.8%
US Equities	6.4%
UK Gilts	-13.7%
UK Index-Linked Gilts	-17.1%

The returns on the general endowment reflect the College's asset allocation, particularly its investment in property which returned 15.3% over the year.
The carrying value of the preserved permanent capital (the trust for investment) and the amount of any unapplied total return available for expenditure was taken as the fair value of these funds as at 1 August 2002 (£88.957 million) together with the original gift value of all subsequent endowment received.

The Governing Body annually reviews the level and appropriateness of the unapplied total return allocated to income including a review of prospective investment returns, inflation and market risks. Any surplus arising during the year is reinvested in the College's general endowment.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this 3.5% is calculated on the average of the year-end values in each of the last five years. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

The Governing Body continues to consider how it can achieve the highest outcomes in education, learning and research at national and international level, and continues to review the size and shape of the College and encompassing matters of academic policy, governance and administration. College staff and students continue to contribute to the plan.

The College has considered the provision of library facilities and recognised the need for additional library study space. The College has embarked on the planning for a new library. Governing Body considered the plan for the new library, including its location and how best to finance the building during the course of the year and made the decision to proceed.

Fundraising and finance for the construction of the library and associated works started in the year and will be a focus of considerable effort in 2022-23 with the intention that donor funding for the library will be in place before construction starts.

The College has commissioned a survey to review the condition of all of its operational buildings. The results of this survey are expected in the first half of 2022-23 and will form the basis of a rolling ten year maintenance plan to be agreed as part of the 2023-24 budget process.

The College continues to consider setting-up a pre-school nursery with plans on hold as the College focuses on the library development.

Admissions

Undergraduate applicants to Oxford are selected by the individual colleges working within a common framework to ensure that the same standards and practices apply consistently across subjects – see further: https://www.ox.ac.uk/admissions/undergraduate/applying-to-oxford/decisions/common-framework

Overall application numbers across the University in 2021 were 23,787 and at a very similar level to the previous year (23,672).

Merton College received 663 applications, a small increase from the previous year's figure of 654 applications in 2020-21. 103 offers were made, of which 6 were open offers and one was a deferred offer for a 2023 start.

For information on admissions at Merton compared with other colleges, see: https://public.tableau.com/profile/sdma.oxford.university#!/

Data on ethnicity is not available to the College through the UCAS. Analysis is undertaken by the University Admissions Office retrospectively on behalf of all colleges, and can be found at: https://www.ox.ac.uk/about/facts-and-figures/admissions-statistics/undergraduate-students/current/ethnicity

70 applicants to Merton declared a disability in their application, of which 12 received an offer and a further 4 were taken by other colleges.

Postgraduate applicants are assessed by the relevant department or faculty and all those admitted are guaranteed a college place. Merton continues to attract substantially more applicants than it has places available.

Attracting the best students from the widest possible range of backgrounds requires more than financial support. Therefore, in the UK, the College continues to develop its schools liaison programme through a full-time officer, and aims to appeal to all constituencies by improving and enhancing web-based and electronic media and communications. The College continues to develop its recruitment of graduate scholars collaboratively with the academic faculties and departments of the University of Oxford.

Chapel

The Chapel and Patronage Committee, working with the Estates Bursar and Buildings Committee, further developed a programme to reduce draughts in the Chapel and improve the efficiency of the heating system. A scheme to replace the existing single timber lobby with a double glass lobby has been developed and submitted to the diocese for approval. Subject to this, the work will be undertaken in summer 2023 alongside the installation of heated seating in the chancel.

During the year the College completed phase three of the lighting project enhancing the lighting to the altar.

During the year Purcell Architects completed the quinquennial review of the fabric of the chapel, a copy of which was deposited with the diocese. The report will be used to plan a five year maintenance programme.

Choral Foundation

In the coming year, the College Choir will take a central role in the College's ***Vaughan Williams in Oxford*** festival and will join the Oxford Philharmonic Orchestra for performances of Bruckner's ***Te Deum*** and Haydn's ***Creation***. The choir will also give performances of Bach's ***St John Passion*** as part of ***Passiontide at Merton***, and at the Barbican in London. The choir will record for Delphian Records, and will visit Edington Priory, Wiltshire and Salle Church, Norfolk to give concerts. The Girl Choristers will give a performance of Fauré's ***Requiem*** as part of the Oxford Lieder Festival.

Capital projects

No new capital projects commenced during the year although three projects are under development. Planning permission has been obtained for an extension to the boat house and work will commence in the current year. As mentioned earlier, plans have been developed to replace the porch at the south entrance to the Chapel. Faculty approval was received at the end of the last financial year and the work is due to be done during the long vacation of 2023.

Finally, as described above, the College is at the early stages of developing a project to construct a new library to replace and expand the facilities in Old Warden's Lodgings which can then be re-purposed. Following a feasibility study and architectural competition, Stanton Williams have been appointed as project architects and commenced the design work in August.

It is likely to take 9-12 months to complete the planning process and a further 9 months for procurement provided there are no unforeseen delays. This being the case work on site should commence in 2024.

Trading income

The T S Eliot Lecture Theatre provides the College with first class facilities that are attractive to third party users. Merton Enterprises Ltd has been able to broaden its customer base following a restructuring of the conference office and proactive marketing of these facilities. The College's conference activities returned to pre-covid levels by the early summer of 2022.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.
Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departure which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 2 November 2022 and signed on its behalf by:

Warden

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF MERTON COLLEGE

Opinion

We have audited the financial statements of Merton College (the "Charity") for the year ended 31 July 2022 which comprise the Statement of accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Members of the Governing Body and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Office for Students and Oxford University requirements, taxation legislation, data protection, employment and pensions, planning and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and, where relevant, inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Members of Governing Body and other management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- if considered necessary, reviewing correspondence with relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Members of Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Statutory Auditor

Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

STATEMENT OF ACCOUNTING POLICIES

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College with its wholly owned subsidiaries Merton Enterprises Limited and Merton College No1 Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the College alone as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its material subsidiaries for the reporting year are in note 13.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular FRS 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation of uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Governing Body, in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements.

In the view of the Governing Body, no assumptions concerning the future or estimation of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, Office for Students support and other charges for services

Fees receivable are recognised in the period in which the related service is provided and are stated net of any scholarships, bursaries or other allowances granted from the College's unrestricted funds, Office for Students support and charges for services and use of the premises.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognized following grant of probate and, once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.
Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (SOFA).

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £5,000 together with expenditure on equipment costing more that £5,000 is capitalised.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

7. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Building improvements	20 years
Equipment	5 to 10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Heritage Assets

The College has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The College retains information concerning the cost or value on donation only for some of its heritage assets, but disclosure of this information would not give a fair picture of the total value of heritage assets held. The cost of obtaining fair values for the remaining heritage assets would not be commensurate with the benefits to users of the financial statements. Therefore, no cost or value is reflected in the financial statements for heritage assets.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

10. Other financial instruments

a. Derivatives

The College has not entered into any derivative contracts.

b. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12. Foreign currencies

The functional and presentational currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

13. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its general endowment. The College can invest its general endowment without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

Other endowments are invested with Schroder & Co Ltd and Cerno Capital Partners LLP, which distribute on a total return basis.

14. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of ***either*** gifts where the donor has specified that both the capital and any income arising must be used for the purposes given ***or*** the income on gifts where the donor has required or permitted the capital be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

15. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

Merton College
Consolidated Statement of Financial Activities
For the year ended 31 July 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2022 Total £'000**	2021 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		5,468	-	-	**5,468**	4,643
Other Trading Income	3	672	-	-	**672**	17
Donations and legacies	2	256	1,205	1,592	**3,053**	2,654
Investments						
Investment income	4	1	1,180	4,714	**5,895**	6,335
Total return allocated to income	14	8,659	-	(8,659)	**-**	-
Other income - Coronavirus Job Retention Scheme		24	-	-	**24**	198
Total income		15,080	2,385	(2,353)	**15,112**	13,847
EXPENDITURE ON:	5					
Charitable activities:						
Teaching, research and residential		14,327	1,439	245	**16,011**	14,822
Generating funds:						
Fundraising		696	-	-	**696**	495
Trading expenditure		464	-	-	**464**	14
Investment management costs		-	-	1,810	**1,810**	1,638
Total Expenditure		15,487	1,439	2,055	**18,981**	16,969
Net Income/(Expenditure) before gains		(407)	946	(4,408)	**(3,869)**	(3,122)
Net gains/(losses) on investments	11, 12	-	(84)	27,850	**27,766**	43,727
Corporation Tax refund/(charge) on sale of land		-	-	-	**-**	117
Net Income/(Expenditure)		(407)	862	23,442	**23,897**	40,722
Transfers between funds	17	195	(189)	(6)	**-**	-
Net movement in funds for the year		(212)	673	23,436	**23,897**	40,722
Fund balances brought forward	17	22,448	3,430	313,719	**339,597**	298,875
Funds carried forward at 31 July		22,236	4,103	337,155	**363,494**	339,597

Merton College
Consolidated and College Balance Sheets
As at 31 July 2022

	Notes	2022 Group £'000	2021 Group £'000	2022 College £'000	2021 College £'000
FIXED ASSETS					
Tangible assets	9	**16,667**	16,961	**16,667**	16,961
Property investments	11	**153,078**	147,357	**143,583**	137,862
Other Investments	12	**188,180**	169,792	**197,706**	178,550
Total Fixed Assets		**357,925**	334,110	**357,956**	333,373
CURRENT ASSETS					
Stocks		**412**	373	**378**	340
Debtors	15	**1,451**	1,554	**1,503**	1,503
Cash at bank and in hand		**9,102**	7,178	**8,830**	7,110
Total Current Assets		**10,965**	9,105	**10,711**	8,953
LIABILITIES					
Creditors: Amounts falling due within one year	16	**2,296**	1,787	**2,180**	1,733
NET CURRENT ASSETS		**8,669**	7,318	**8,531**	7,220
TOTAL ASSETS LESS CURRENT LIABILITIES		**366,594**	341,428	**366,487**	340,593
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		**366,594**	341,428	**366,487**	340,593
Defined benefit pension scheme liability	21	**3,100**	1,831	**3,100**	1,831
TOTAL NET ASSETS		**363,494**	339,597	**363,387**	338,762
FUNDS OF THE COLLEGE					
Endowment funds	17	**337,155**	313,719	**337,110**	312,906
Restricted funds	17	**4,103**	3,430	**4,103**	3,430
Unrestricted funds	17				
General funds		**8,225**	6,874	**8,163**	6,852
Fixed Asset Fund		**16,667**	16,961	**16,667**	16,961
Graduate Scholarship Fund		**444**	444	**444**	444
Pension reserve	21	**(3,100)**	(1,831)	**(3,100)**	(1,831)
		363,494	339,597	**363,387**	338,762

The financial statements were approved and authorised for issue by the Governing Body of Merton College on 2 November 2022

Trustee:

Trustee:

Merton College
Consolidated Statement of Cash Flows
For the year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
Net cash provided by (used in) operating activities	23	**(8,337)**	(14,289)
Cash flows from investing activities			
Dividends, interest and rents from investments		**5,895**	6,335
Proceeds from the sale of property, plant and equipment		**12**	-
Purchase of property, plant and equipment		**(895)**	(535)
Proceeds from sale of investments		**46,707**	16,544
Purchase of investments		**(24,878)**	(9,425)
Change in endowment cash			
Net cash provided by (used in) investing activities		**26,841**	12,919
Cash flows from financing activities			
Receipt of endowment		**1,592**	1,476
Net cash provided by (used in) financing activities		**1,592**	1,476
Change in cash and cash equivalents in the reporting period		**20,096**	106
Cash and cash equivalents at the beginning of the reporting period		**10,627**	10,521
Change in cash and cash equivalents		**20,096**	106
Cash and cash equivalents at the end of the reporting period	24	**30,723**	10,627

1 INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
Teaching, Research and Residential	**£'000**	£'000
Unrestricted funds		
Tuition fees - UK and EU students	**1,405**	1,410
Tuition fees - Overseas students	**926**	809
Other Office for Students support	**251**	286
Other academic income	**165**	125
College residential income	**2,721**	2,013
Total Teaching, Research and Residential	**5,468**	4,643

The above analysis includes £2,582k received from the University of Oxford from publicly accountable funds under the CFF Scheme (2021: £2,496k).

2 DONATIONS AND LEGACIES

	2022	2021
	£'000	£'000
Donations and Legacies		
Unrestricted funds	**256**	267
Restricted funds	**1,205**	911
Endowed funds	**1,592**	1,476
	3,053	2,654

3 INCOME FROM OTHER TRADING ACTIVITIES

	2022	2021
	£'000	£'000
Subsidiary company trading income	**328**	35
Other trading income	**344**	(18)
	672	17

4 INVESTMENT INCOME

	2022	2021
	£'000	£'000
Unrestricted funds		
Bank interest	**1**	23
	1	23
Restricted funds		
Equity dividends	**1,179**	1,140
Interest on fixed term deposits and cash	**1**	-
	1,180	1,140
Endowed funds		
Agricultural rent	**1,237**	1,351
Commercial rent	**1,706**	1,322
Other property income	**613**	594
Equity dividends	**1,018**	1,007
Income from fixed interest stocks	**53**	54
Interest on fixed term deposits and cash	**79**	-
Other investment income	**8**	844
	4,714	5,172
Total Investment income	**5,895**	6,335

5 ANALYSIS OF EXPENDITURE

	2022	2021
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	**8,428**	6,506
Other direct costs allocated to:		
Teaching, research and residential	**5,243**	6,248
Support and governance costs allocated to:		
Teaching, research and residential	**2,340**	2,068
Total charitable expenditure	**16,011**	14,822
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	**463**	276
Investment management costs	**425**	345
Other direct costs allocated to:		
Fundraising	**143**	119
Trading expenditure	**464**	14
Investment management costs	**1,341**	1,251
Support and governance costs allocated to:		
Fundraising	**90**	100
Investment management costs	**44**	42
Total expenditure on raising funds	**2,970**	2,147
Total expenditure	**18,981**	16,969

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £302k (2021 £276k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	**2022 Total £'000**
Financial administration	16	280	**296**
Domestic administration	8	144	**152**
Human resources	16	243	**259**
IT	28	488	**516**
Depreciation	63	1,117	**1,180**
Loss/(profit) on fixed assets	-	(3)	**(3)**
Other finance charges	3	40	**43**
Governance costs	-	31	**31**
	134	2,340	**2,474**

	Generating Funds £'000	Teaching and Research £'000	2021 Total £'000
Financial administration	14	257	271
Domestic administration	6	99	105
Human resources	42	159	201
IT	22	399	421
Depreciation	55	1,079	1,134
Bank interest payable	1	16	17
Other finance charges	2	33	35
Governance costs	-	26	26
	142	2,068	2,210

Support and governance costs are attributed according to the estimated staff time spent on each activity.

	2022 £'000	2021 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	**24**	18
Auditor's remuneration - tax compliance services	**-**	2
Other governance costs	**7**	6
	31	26

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows' involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

7 GRANTS AND AWARDS

	2022 £'000	2021 £'000
During the year the College funded research awards and bursaries to students from its endowed, restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	**597**	555
Bursaries and hardship awards	**4**	1
Total unrestricted	**601**	556
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	**424**	300
Bursaries and hardship awards	**210**	203
Grants to the University of Oxford	**5**	47
Total restricted	**639**	550
Endowed funds		
Grants to the University of Oxford	**245**	1,265
Total grants and awards	**1,485**	2,371

The above costs are included within the charitable expenditure on teaching, research and residential.

8 STAFF COSTS

	2022	2021
The aggregate staff costs for the year were as follows.	**£'000**	£'000
Salaries and wages	**6,805**	6,211
Social security costs	**648**	573
Defined benefit scheme pension costs:		
Continuing charges	**1,060**	971
Pension provision change (see note 21)	**1,252**	(190)
Other benefits	**248**	184
	10,013	7,749

The average number of employees of the College, excluding Trustees, on a headcount basis was as follows.	**2022**	2021
Tuition and research	**39**	40
College residential	**81**	76
Fundraising	**6**	5
Support	**12**	11
Total	**138**	132

The average number of employed College Trustees during the year was as follows.

Associate Professor Tutorial Fellowship (University)	**22**	21
Associate Professor Tutorial Fellowship (College)	**7**	7
Other teaching and research	**14**	14
Other	**10**	8
Total	**53**	50

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs are met through unrestricted funds.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	**-**	1

The number of the above employees with retirement benefits accruing was as follows:		
In defined benefits schemes	**-**	1

9 TANGIBLE FIXED ASSETS

Group & College	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	**Total £'000**
Cost			
At start of year	32,111	2,933	**35,044**
Additions	478	417	**895**
Disposals	-	(43)	**(43)**
At end of year	**32,589**	**3,307**	**35,896**
Depreciation and impairment			
At start of year	15,829	2,254	**18,083**
Depreciation charge for the year	951	229	**1,180**
Depreciation on disposals	-	(34)	**(34)**
At end of year	**16,780**	**2,449**	**19,229**
Net book value			
At end of year	**15,809**	**858**	**16,667**
At start of year	16,282	679	16,961

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

The heritage assets held by the college comprise medieval manuscript books (327); medieval and early modern records of the college and its estates dating from the twelfth century (c10,000 pre-1800 items including deeds, surveys, court rolls, maps, and various other records); rare printed books (15th-19th centuries: c14,000; 20th-21st century: 3,500 rare editions and special copies); collections of personal papers (21 mixed-media collections); early astronomical instruments (5); 18th century globes (2); paintings, prints, and drawings (359); sculpture (23); historic table and chapel silver (16); miscellaneous historic furnishings (e.g. chests, clocks etc). Most new acquisitions are by gift or bequest. Criteria for decisions on whether to acquire heritage items include complementarity with existing collections, the intellectual appropriateness of the college as repository, and the ability of the college to house the collection appropriately and make it available to researchers. The college does not dispose of heritage assets.

Heritage assets are managed by the Fellow Librarian and the Domestic Bursar under the oversight of the Library and Archives Committee and the Sub-Committee on Pictures and Historic Chattels. There are three full-time professional librarians and a professional archivist is employed three days per week. The college is a member of the Oxford Conservation Consortium which employs four accredited conservators and four working towards accreditation, who provide preservation expertise and treatment of individual items. Specialist advice is sought when needed. Heritage items are housed in a number of locations throughout the college with special security, fire detection and fire suppression in the main storage areas. The environments of storage areas and rooms housing significant assets are regularly monitored and managed under the guidelines in PAS 198:2012 Specification for managing environmental conditions for cultural collections.

Records of heritage assets are held in a combination of electronic and hard-copy formats. These are freely available for research consultation either online or on site. The college maintains a programme of exhibitions onsite and loans items for display in the context of public exhibitions in the UK and abroad.

Various heritage assets have been acquired during the last five years including purchases amounting to £21.1k in the current year (2021: £7.5k). These acquisitions include Burnt Book II sculpture by Lydia Segrave and a Joan Miró lithograph.

11 PROPERTY INVESTMENTS

Group

	Agricultural £'000	Commercial £'000	Other £'000	**2022 Total £'000**	2021 Total £'000
Valuation at start of year	85,598	43,099	18,660	**147,357**	129,412
Additions and improvements at cost	113	77	7	**197**	261
Disposals	(12,666)	85	-	**(12,581)**	(929)
Revaluation gains/(losses) in the year	14,312	2,426	1,367	**18,105**	18,613
Valuation at end of year	87,357	45,687	20,034	**153,078**	147,357

College

	Agricultural £'000	Commercial £'000	Other £'000	**2022 Total £'000**	2021 Total £'000
Valuation at start of year	85,598	33,604	18,660	**137,862**	129,412
Additions and improvements at cost	113	77	7	**197**	204
Disposals	(12,666)	85	-	**(12,581)**	(10,367)
Revaluation gains/(losses) in the year	14,312	2,426	1,367	**18,105**	18,613
Valuation at end of year	87,357	36,192	20,034	**143,583**	137,862

Estates land and property valuations as at 31 July have been made by the College Land Agent, a Chartered Surveyor, in consultation with an independent firm of Chartered Surveyors, the basis of valuation being market valuation. In a small number of cases valuations have been made solely by the Land Agent, the basis of valuation being market valuation.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2022 £'000	2021 £'000
Group investments		
Valuation at start of year	**169,792**	147,631
New money invested	**24,641**	9,164
Amounts withdrawn	**(15,914)**	(12,117)
Increase/(decrease) in value of investments	**9,661**	25,114
Group investments at end of year	**188,180**	169,792
Investment in subsidiaries	**9,514**	9,514
plus: cash reserves within subsidiaries included in group figures above	**12**	(756)
College investments at end of year	**197,706**	178,550

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	**2022 Total £'000**	Held outside the UK £'000	Held in the UK £'000	2021 Total £'000
Equity investments	-	77,133	**77,133**	-	77,126	77,126
Global multi-asset funds	-	32,376	**32,376**	-	31,912	31,912
Fixed interest stocks	-	10,662	**10,662**	-	12,925	12,925
Alternative and other investments	28,795	12,968	**41,763**	24,200	10,555	34,755
Fixed term deposits and cash	5,759	15,862	**21,621**	743	2,706	3,449
Proceeds due from disposal of property	-	4,625	**4,625**	-	9,625	9,625
Total group investments	34,554	153,626	**188,180**	24,943	144,849	169,792

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Merton Enterprises Limited, a company providing conference and other services on the College premises.

The College holds 100% of the issued share capital in Merton College No1 Limited, a company that purchases, develops and sells land and property.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	2022 Parent College	**2022** Merton Enterprises Ltd	**2022** Merton College No1 Ltd	2021 Parent College	2021 Merton Enterprises Ltd	2021 Merton College No1 Ltd
	£'000	£'000	£'000	£'000	£'000	£'000
Income	14,441	328	93	12,932	35	880
Expenditure	(18,801)	(266)	(47)	(16,890)	(12)	(67)
Result for the year	(4,360)	62	46	(3,958)	23	813
Total assets	368,667	381	9,557	342,326	145	10,269
Total liabilities	(5,280)	(243)	(73)	(3,564)	(47)	(18)
Net funds at the end of year	363,387	138	9,484	338,762	98	10,251

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	Trust for Investment	General Endowment Unapplied Total Return	Total
	£'000	£'000	£'000
At the beginning of the year:			
Gift component of the general endowment	88,957	-	88,957
Unapplied total return	-	193,072	193,072
Total Group General Endowment	**88,957**	**193,072**	**282,029**
Movements in the reporting period:			
Investment return: total investment income	-	4,714	4,714
Investment return: realised and unrealised gains and losses	-	29,088	29,088
Less: Investment management costs	-	(1,810)	(1,810)
Other transfers		(6)	(6)
Total	-	31,986	31,986
Unapplied total return allocated to income in the reporting period	-	(8,659)	(8,659)
Net movements in reporting period	**-**	**23,327**	**23,327**
At end of the reporting period:			
Gift component of the permanent endowment	88,957	-	88,957
Unapplied total return	-	216,399	216,399
Total Group Endowments	**88,957**	**216,399**	**305,356**

Comparative figures are stated in Note 30b.

15 DEBTORS

	2022 Group £'000	2021 Group £'000	**2022 College £'000**	2021 College £'000
Amounts falling due within one year:				
Trade debtors	**512**	182	**417**	125
Amounts owed by College members	**38**	58	**38**	58
Amounts owed by Group undertakings	**-**	-	**147**	6
Loans repayable within one year	**11**	289	**11**	289
Prepayments and accrued income	**890**	1,021	**890**	1,021
Other debtors	**-**	4	**-**	4
	1,451	1,554	**1,503**	1,503

16 CREDITORS: falling due within one year

	2022 Group £'000	2021 Group £'000	**2022 College £'000**	2021 College £'000
Trade creditors	**1,004**	492	**1,004**	491
Amounts owed to College Members	**5**	5	**5**	5
Amounts owed to Group undertakings	**-**	-	**54**	5
Taxation and social security	**182**	268	**24**	222
Accruals and deferred income	**750**	567	**738**	555
Other creditors	**355**	455	**355**	455
	2,296	1,787	**2,180**	1,733

17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2022 £'000**
Endowment Funds - Permanent						
General Endowment	281,216	5,434	(1,768)	(8,659)	29,088	**305,311**
Fellowship and Tutorship Funds:						
Baker Tutorial Support	603	290	-	-	(13)	**880**
Peter Braam Research Fellow	1,473	-	-	-	(56)	**1,417**
Chemistry Tutor	960	-	-	-	(35)	**925**
English Tutor	1,420	1	-	-	(51)	**1,370**
Law Tutor	631	3	-	-	(20)	**614**
Philosophy Tutor	1,245	-	-	-	(46)	**1,199**
Jessica Rawson Modern Asian History Tutor	1,101	-	-	-	(41)	**1,060**
Regius Professorship	195	50	(245)	-	-	**-**
Mark Reynolds History Tutor	1,988	-	-	-	(74)	**1,914**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	663	-	-	-	(26)	**637**
Peter Braam Scholar	442	-	-	-	(17)	**425**
John Barton BCL Scholar	155	-	-	-	(6)	**149**
Christopher Duggan Scholar	682	-	-	-	(43)	**639**
Roger Highfield Scholar	626	5	-	-	(20)	**611**
Charles Manby Scholar	507	-	-	-	(19)	**488**
Moussouris Rhodes Scholar	901	-	-	-	(34)	**867**
Other	99	5	-	-	(3)	**101**
Student Support Funds:						
Taylor Family Foundation	681	-	-	-	(26)	**655**
Reed Rubin Directors of Music	794	-	-	-	(30)	**764**
Other	72	-	-	-	(3)	**69**
	296,454	**5,788**	**(2,013)**	**(8,659)**	**28,525**	**320,095**
Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,274	-	-	-	(48)	**1,226**
Douglas Algar Humanities Tutor	920	-	-	-	(35)	**885**
Economics Tutor	1,066	-	-	-	(39)	**1,027**
David Hay Medical Tutor	424	-	-	-	(16)	**408**
Christine Blackwell Classics Tutor	1,886	-	-	-	(67)	**1,819**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	857	-	-	-	(36)	**821**
David Stevens International Development Scholar	479	-	-	-	(18)	**461**
Merton Lawyers BCL/Mjur Scholar	404	-	-	-	(15)	**389**
Merton-Oxford Scholar	-	580	-	-	(9)	**571**
Monica Barnett Law Scholar	173	-	-	-	(7)	**166**
John Moussouris Mathematics Scholar	689	-	-	-	(26)	**663**
Stringer Scholar	-	580	-	-	(39)	**541**
Other	125	9	-	-	(6)	**128**
Student Support Funds:						
General Student Support	2,467	15	-	-	(90)	**2,392**
Howard Stringer Undergraduate Support	1,282	-	-	-	(48)	**1,234**
Undergraduate Student Support	780	52	-	-	(25)	**807**
John Roberts	608	-	-	-	(22)	**586**
Thomas Bowman	340	-	-	-	(15)	**325**
Gerald David Clayton	848	-	-	-	(32)	**816**
Choral Foundation	974	2	-	-	(35)	**941**
Compassionate Fund	370	-	-	-	(14)	**356**
Fitzhenry Biomedical Research Fund	157	-	-	-	(6)	**151**
Other Funds	329	-	-	-	(27)	**302**
	16,452	**1,238**	**-**	**-**	**(675)**	**17,015**
Total Endowment Funds	**312,906**	**7,026**	**(2,013)**	**(8,659)**	**27,850**	**337,110**
Endowment funds held by subsidiary	813	(720)	(42)	(6)	-	**45**
Total Endowment Funds - Group	313,719	6,306	(2,055)	(8,665)	27,850	**337,155**

17 ANALYSIS OF MOVEMENTS ON FUNDS CONTINUED

	At 1 August 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2022 £'000**
Restricted Funds						
Building Projects	495	468	(3)	(95)	(65)	**800**
Fellowship and Tutorship Funds	487	593	(582)	-	(3)	**495**
Graduate Scholarship and Student Prize Funds	1,042	599	(357)	(33)	-	**1,251**
Student Support Funds	871	284	(248)	-	(16)	**891**
Choir	193	249	(134)	-	-	**308**
Other Funds	342	192	(115)	(61)	-	**358**
Total Restricted Funds - Group	**3,430**	**2,385**	**(1,439)**	**(189)**	**(84)**	**4,103**
Unrestricted Funds						
General funds	6,852	6,093	(13,930)	9,148	-	**8,163**
Fixed Asset Fund	16,961	-	-	(294)	-	**16,667**
Aidan Jenkins Graduate Scholarship Fund	444	-	-	-	-	**444**
Pension reserve	(1,831)	-	(1,269)	-	-	**(3,100)**
Total Unrestricted Funds - College	**22,426**	**6,093**	**(15,199)**	**8,854**	**-**	**22,174**
Unrestricted funds held by subsidiaries	22	328	(288)	-	-	**62**
Total Unrestricted Funds - Group	22,448	6,421	(15,487)	8,854	-	22,236
Total Funds	**339,597**	**15,112**	**(18,981)**	**-**	**27,766**	**363,494**

Comparative figures are stated in Note 30c.

18 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

General Endowment Fund	Corporate capital, including founder's capital, whose income may be spent for general purposes.
Fellowship and Tutorship, Graduate Scholarship, Student Support Funds and Reed Directors of Music	Donations made for perpetuity, whose income may be spent for the restricted purposes described.

Endowment Funds - Expendable:

Fellowship and Tutorship Funds Graduate Scholarship and Student Prize Funds: Student Support Funds Choral Foundation Compassionate Fund Fitzhenry Biomedical Research Fund	Donations made for the long term, whose income and capital may both be spent for the restricted purposes described.

Restricted Funds:

Building Projects	Donations made for specific College building projects before completion. Funds are transferred to the Building Project Fund within Unrestricted Funds once the building has been completed.
Fellowship and Tutorship Funds **Graduate Scholarships and Student Prize Funds** **Student Support Funds** **Choir**	Unspent income generated from the permanent and expendable endowments above and donations made for restricted purposes which the trustees may spend at their discretion.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

The Fixed Asset Fund represents the original cost less accumulated depreciation of the College's fixed assets.

The Aidan Jenkins Graduate Scholarship Fund represents an unrestricted donation received and designated by the Trustees for a graduate scholarship.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2022 Total £'000**
Tangible fixed assets	16,667	-	-	**16,667**
Property investments	-	-	153,078	**153,078**
Other investments	-	4,103	184,077	**188,180**
Net current assets	8,669	-	-	**8,669**
Long term liabilities	(3,100)	-	-	**(3,100)**
	22,236	**4,103**	**337,155**	**363,494**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 Total £'000
Tangible fixed assets	16,961	-	-	16,961
Property investments	-	-	147,357	147,357
Other investments	-	3,430	166,362	169,792
Net current assets	7,318	-	-	7,318
Long term liabilities	(1,831)	-	-	(1,831)
	22,448	3,430	313,719	339,597

20 TRUSTEES' REMUNERATION

The Trustees of the College are the members of the Governing Body, primarily those Fellows who are employed to undertake teaching and research and who sit on Governing Body by virtue of their employment.

No Fellow receives any remuneration for acting as a Trustee. However, those Fellows who are also employees of the College receive salaries in respect of their employment. In the case of teaching and research posts, salaries are set with reference to pay scales applying nationally within the higher education sector and within the University of Oxford. Salaries are determined in all cases by the Governing Body on the basis of recommendations made by the remuneration committee, whose composition is described in the Annual Report of the Governing Body.

Trustees of the College fall into the following categories:
(i) The Warden, who is the Head of College and chairs meetings of the Governing Body and its committees;
(ii) Official Fellows, who are elected to the office of Tutor, Bursar, Librarian, Chaplain, Development Director or other office of the College;
(iii) Professorial Fellows, who are senior members of the University of Oxford;
(iv) Fixed-term research Fellows, who may be either junior career-development employees of the College, or senior academics who are not employed by the College.

College Officers and career-development research Fellows may be accommodated by the College. 33 Fellows (2021: 32) were accommodated in houses, flats or rooms owned by the College during the year. Fellows who are eligible for accommodation but who are not accommodated are paid a housing allowance, which is included within the salary figures below.

Some Fellows receive allowances for work carried out as part-time College Officers, including the Sub Warden, student disciplinary officer and research supervisor. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits included below is £2,388k (2021: £2,229k). The total of pension contributions is £425k (2021: £396k).

Remuneration paid to trustees	2022		2021	
Range	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1,000-£1,999	2	3,363	1	1,719
£3,000-£3,999	-	-	1	3,276
£4,000-£4,999	2	8,634	1	4,164
£5,000-£5,999	1	5,614	-	-
£6,000-£6,999	3	19,735	-	-
£8,000-£8,999	1	8,273	-	-
£10,000-£10,999	-	-	1	10,280
£12,000-£12,999	1	12,142	1	12,110
£13,000-£13,999	1	13,874	-	-
£16,000-£16,999	-	-	1	16,345
£20,000-£20,999	1	20,777	1	20,576
£21,000-£21,999	-	-	8	172,219

Remuneration paid to trustees continued

Range	2022 Number of Trustees/Fellows	2022 Gross remuneration, taxable benefits and pension contributions	2021 Number of Trustees/Fellows	2021 Gross remuneration, taxable benefits and pension contributions
£22,000-£22,999	1	22,884	-	-
£23,000-£23,999	3	71,859	2	47,943
£24,000-£24,999	8	195,307	2	48,804
£25,000-£25,999	1	25,349	1	25,016
£26,000-£26,999	3	78,481	-	-
£27,000-£27,999	1	27,249	-	-
£29,000-£29,999	-	-	2	58,642
£30,000-£30,999	2	60,576	1	30,024
£31,000-£31,999	1	31,181	-	-
£32,000-£32,999	1	32,974	1	32,153
£34,000-£34,999	-	-	3	103,097
£35,000-£35,999	-	-	1	35,196
£37,000-£37,999	2	75,632	1	37,470
£38,000-£38,999	-	-	1	38,227
£39,000-£39,999	1	39,558	1	39,950
£40,000-£40,999	-	-	2	81,799
£42,000-£42,999	2	84,763	5	211,573
£43,000-£43,999	3	130,505	-	-
£44,000-£44,999	1	44,082	-	-
£45,000-£45,999	-	-	2	91,097
£46,000-£46,999	1	46,158	-	-
£48,000-£48,999	-	-	1	48,893
£49,000-£49,999	-	-	1	49,311
£53,000-£53,999	2	106,306	-	-
£54,000-£54,999	-	-	2	109,410
£55,000-£55,999	2	111,382	3	166,753
£56,000-£56,999	1	56,267	-	-
£57,000-£57,999	2	114,937	-	-
£58,000-£58,999	1	58,750	-	-
£61,000-£61,999	-	-	1	61,038
£64,000-£64,999	1	64,151	-	-
£75,000-£75,999	-	-	1	75,448
£76,000-£76,999	-	-	1	76,077
£79,000-£79,999	1	79,028	-	-
£81,000-£81,999	1	81,594	-	-
£87,000-£87,999	-	-	1	87,554
£91,000-£91,999	-	-	1	91,902
£95,000-£95,999	-	-	1	95,654
£96,000-£96,999	1	96,786	-	-
£99,000-£99,999	1	99,973	-	-
£104,000-£104,999	-	-	1	104,979
£108,000-£108,999	-	-	1	108,777
£110,000-£110,999	1	110,700	-	-
£111,000-£111,999	1	111,340	-	-
£113,000-£113,999	1	113,174	-	-
£121,000-£121,999	1	121,325	-	-
£132,000-£132,999	2	264,624	1	132,597
£133,000-£133,999	-	-	1	133,375
£161,000-£161,999	-	-	1	161,341
£163,000-£163,999	1	163,347	-	-

10 Fellows (2021: 10) were not employed by the College during the year and did not receive any remuneration. All Fellows and all permanent employees of the College are eligible for private health insurance. All Fellows may take meals in College, together with all employees, who are entitled to take meals while working.

Trustee expenses

No Fellow claimed any expenses for work as a trustee.

Other transactions with trustees

There were no other transactions between the College and Fellows or related parties.

See note 27 Related Party Transactions.

Key management remuneration

The total remuneration paid to key management, including employer's national insurance contributions, was £3071k (2021: £2,856k).

Key management are considered to be the Trustees of the College.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff – the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of each scheme are held in separate trustee-administered funds. USS and OSPS are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis – based on length of service and pensionable salary – and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The College has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits, but not eligible for either USS or OSPS.

Schemes accounted for under FRS 102 as defined contribution schemes

Actuarial Valuations

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results were:

	USS	**OSPS**
Date of valuation:	31/03/20	31/03/19
Date valuation results published:	30/09/21	19/06/20
Value of liabilities:	£80.6bn	£848m
Value of assets:	£66.5bn	£735m
Funding surplus / (deficit):	(£14.1bn)	(£113m)
Principal assumptions:		
Discount rate	Fixed interest gilt yield curve plus 1% - 2.75%	Gilts +0.5%-2.25% **(b)**
Rate of increase in salaries	n/a	RPI
Rate of increase in pensions	CPI + 0.05% **(c)**	Average RPI/CPI **(d)**
Assumed life expectancies on retirement at age 65:		
Males currently aged 65	23.9 yrs	21.7 yrs
Females currently aged 65	25.5 yrs	24.4 yrs
Males currently aged 45	25.9 yrs	23.0 yrs
Females currently aged 45	27.3 yrs	25.8 yrs
Funding Ratios:		
Technical provisions basis	83%	87%
Statutory Pension Protection Fund basis	64%	74%
'Buy-out' basis	51%	60%
Employer contribution rate (as % of pensionable salaries): **(e)**	21.1% to 21.4% from 1/10/21	19%
Effective date of next valuation:	31/03/23	31/03/22

(a) The discount rate (forward rates) for the USS valuation was:
Fixed interest gilt yield curve plus: Pre-retirement 2.75%, post-retirement 1.00%

(b) The discount rate for the OSPS valuation was:
Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term
Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term

(c) Pensions increases (CPI) for the USS valuation were:
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040.

(d) Increases to pensions in payment for the OSPS valuation were:
RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019).

For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

(e) The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	USS	
Assumption	**Change in assumption**	**Impact on USS liabilities**
Initial pre-retirement discount rate	increase by 0.25%	decrease by £1.3bn
Post-retirement discount rate	decrease by 0.25%	increase by £2.8bn
CPI	decrease by 0.1%	decrease by £1.5bn
Life Expectancy	more prudent assumption (reduce the adjustment to the base mortality table by 5%)	increase by £1.2bn
Rate of mortality	more prudent assumption (increase nortality improvements long-term rates by 0.2%)	increase by £0.6bn

	OSPS	**Impact on OSPS**
Assumption	**Change in assumption**	**technical provisions**
Valuation rate of interest	decrease by 0.25%	increase by £45m
RPI	increase by 0.25%	increase by £40m

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principal assumptions used in these calculations are tabled below:

	2022 OSPS	**2022 USS**	2021 OSPS	2021 USS
Finish Date for Deficit Recovery Plan	**30/01/28**	**31/03/38**	30/01/28	31/03/28
Average staff number increase	**nil**	**nil**	nil	nil
Average staff salary increase	**3.00%**	**3.00%**	3.00%	2.00%
Average discount rate over period	**3.19%**	**3.34%**	0.89%	0.89%
Effect of 0.5% change in discount rate	**£14k**	**£89k**	£18k	£18k
Effect of 1% change in staff growth	**£47k**	**£195k**	£18k	£37k

An OSPS provision of £864k has been made at 31 July 2022 (2021: £906k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

A USS provision of £2,236k has been made at 31 July 2022 (2021: £925k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	**2022**	2021
	£000's	£000's
Universities Superannuation Scheme:		
Continuing charges	**489**	454
Pension provision change	**1,303**	77
University of Oxford Staff Pension Scheme:		
Continuing charges	**552**	500
Pension provision change	**(51)**	(268)
Other schemes – contributions	**19**	18
Total	**2,312**	781

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: www.uss.co.uk , www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps.

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the companies under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

23 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATIONS

	2022 Group £'000	2021 Group £'000
Net income	**(3,869)**	(3,122)
Elimination of non-operating cash flows:		
Investment income	**(5,895)**	(6,335)
Endowment donations	**(1,592)**	(1,476)
Depreciation	**1,180**	1,134
Profit on sale of fixed assets	**(3)**	-
Increase in stock	**(39)**	(34)
(Increase)/Decrease in debtors	**103**	(200)
Increase/(Decrease) in creditors	**509**	(4,079)
Increase/(Decrease) in pension scheme liability	**1,269**	(177)
Net cash used in operating activities	**(8,337)**	(14,289)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash at bank and in hand	**9,102**	7,178
Endowment assets cash	**21,621**	3,449
Total cash and cash equivalents	**30,723**	10,627

25 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.

The College had a contracted commitment at 31 July in respect of a gift agreement with the University of Oxford for the Regius Professor of Mathematics totalling £438k (2021 £688k).

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £670k (2021 £351k).

27 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102 ("Related party disclosures"). Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements. The following trustees had mortgage loans outstanding from the College at the start and/or end of the year.

	2022	2021
	£'000	£'000
Professor M Kim	**0**	278
Dr J Walworth	**0**	4

Interest is charged on the above loans at either 75% of the Santander mortgage rate for existing borrowers, or at a maximum of 1% above the base lending rate of Barclays Bank plc. All loans are repayable within 20 years or immediately in full when the Fellow demits from office, if earlier. The College has ceased to make loans on these terms.

The College has made equity housing loans to the following Fellows who are employees on the basis the capital sums repayable are linked to the value of the property on which the loan is secured. These loans are repayable in full when the Fellow demits from office and are classified as property investments in the balance sheet.

	2022	2021
	£'000	£'000
Mr J Gloag	**60**	60
Dr P Thornton	**360**	360
Dr M Whitworth	**155**	155
Prof M Higgins	**209**	171

28 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly within the College's control.

29 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial position.

30 ADDITIONAL PRIOR YEAR COMPARATIVES

a Consolidated Statement of Financial Activities
For the year ended 31 July 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total £'000
INCOME AND ENDOWMENTS FROM:					
Charitable activities:	1				
Teaching, research and residential		4,643	-	-	4,643
Other Trading Income	3	17	-	-	17
Donations and legacies	2	267	911	1,476	2,654
Investments					
Investment income	4	23	1,140	5,172	6,335
Total return allocated to income	14	8,182	-	(8,182)	-
Other Income - Coronavirus Job Retention Scheme		198	-	-	198
Total income		13,330	2,051	(1,534)	13,847
EXPENDITURE ON:	5				
Charitable activities:					
Teaching, research and residential		12,332	1,225	1,265	14,822
Generating funds:					
Fundraising		495	-	-	495
Trading expenditure		14	-	-	14
Investment management costs		-	-	1,638	1,638
Total Expenditure		12,841	1,225	2,903	16,969
Net Income/(Expenditure) before gains		489	826	(4,437)	(3,122)
Net gains/(losses) on investments	11, 12	-	100	43,627	43,727
Corporation Tax charge on sale of land		-	-	117	117
Net Income/(Expenditure)		489	926	39,307	40,722
Transfers between funds	17	127	(127)	-	-
Net movement in funds for the year		616	799	39,307	40,722
Fund balances brought forward	17	21,832	2,631	274,412	298,875
Funds carried forward at 31 July		22,448	3,430	313,719	339,597

b STATEMENT OF INVESTMENT TOTAL RETURN 2021

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

		General Endowment	
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000
At the beginning of the year:			
Gift component of the general endowment	88,957	-	88,957
Unapplied total return	-	157,015	157,015
Total General Endowment	88,957	157,015	245,972
Movements in the reporting period:			
Investment return: total investment income	-	5,172	5,172
Investment return: realised and unrealised gains and losses	-	40,588	40,588
Investment return: Corporation Tax charge on sale of land		117	117
Less: Investment management costs	-	(1,638)	(1,638)
Total	-	44,239	44,239
Unapplied total return allocated to income in the reporting period	-	(8,182)	(8,182)
Net movements in reporting period	-	36,057	36,057
At end of the reporting period:			
Gift component of the permanent endowment	88,957	-	88,957
Unapplied total return	-	193,072	193,072
Total Endowments	88,957	193,072	282,029

Figures for the current year are stated in Note 14.

c ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
Endowment Funds - Permanent						
General Endowment	245,972	4,292	(1,454)	(8,182)	40,588	281,216
Fellowship and Tutorship Funds:						
Baker Tutorial Support	231	346	-	-	26	603
Peter Braam Research Fellow	1,326	-	-	-	147	1,473
Chemistry Tutor	870	1	-	-	89	960
English Tutor	1,285	2	-	-	133	1,420
Law Tutor	569	12	-	-	50	631
Philosophy Tutor	1,126	-	-	-	119	1,245
Jessica Rawson Modern Asian History Tutor	986	10	-	-	105	1,101
Regius Professorship	-	935	(740)	-	-	195
Mark Reynolds History Tutor	1,795	-	-	-	193	1,988
Stringer	490	-	(525)	-	35	-
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	596	-	-	-	67	663
Peter Braam Scholar	399	-	-	-	43	442
John Barton BCL Scholar	140	-	-	-	15	155
Christopher Duggan Scholar	580	30	-	-	72	682
Roger Highfield Scholar	561	12	-	-	53	626
Charles Manby Scholar	457	-	-	-	50	507
Moussouris Rhodes Scholar	813	-	-	-	88	901
Other	86	4	-	-	9	99
Student Support Funds:						
Taylor Family Foundation	614	-	-	-	67	681
Reed Rubin Directors of Music	717	-	-	-	77	794
Other	65	-	-	-	7	72
	259,678	5,644	(2,719)	(8,182)	42,033	296,454

c ANALYSIS OF MOVEMENTS ON FUNDS CONTINUED

	At 1 August 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2021 £'000
Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,150	-	-	-	124	1,274
Douglas Algar Humanities Tutor	830	-	-	-	90	920
Economics Tutor	965	-	-	-	101	1,066
David Hay Medical Tutor	382	-	-	-	42	424
Christine Blackwell Classics Tutor	1,712	-	-	-	174	1,886
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	764	-	-	-	93	857
David Stevens International Development Scholar	432	-	-	-	47	479
Merton Lawyers BCL/Mjur Scholar	365	-	-	-	39	404
Monica Barnett Law Scholar	155	-	-	-	18	173
John Moussouris Mathematics Scholar	622	-	-	-	67	689
Other	95	17	-	-	13	125
Student Support Funds:						
General Student Support	2,217	16	-	-	234	2,467
Howard Stringer Undergraduate Support	1,157	-	-	-	125	1,282
Undergraduate Student Support	654	62	-	-	64	780
John Roberts	549	1	-	-	58	608
Thomas Bowman	302	-	-	-	38	340
Gerald David Clayton	765	-	-	-	83	848
Choral Foundation	856	28	-	-	90	974
Compassionate Fund	333	-	-	-	37	370
Fitzhenry Biomedical Research Fund	140	-	-	-	17	157
Other Funds	289	-	-	-	40	329
	14,734	124	-	-	1,594	16,452
Total Endowment Funds	274,412	5,768	(2,719)	(8,182)	43,627	312,906
Endowment funds held by subsidiary	-	880	(67)	-	-	813
Total Endowment Funds - Group	274,412	6,648	(2,786)	(8,182)	43,627	313,719
Restricted Funds						
Building Projects	228	317	(6)	(95)	51	495
Fellowship and Tutorship Funds	445	590	(556)	-	8	487
Graduate Scholarship and Student Prize Funds	886	427	(271)	-	-	1,042
Student Support Funds	711	312	(193)	-	41	871
Choir	71	246	(92)	(32)	-	193
Other Funds	290	159	(107)	-	-	342
Total Restricted Funds	2,631	2,051	(1,225)	(127)	100	3,430
Unrestricted Funds						
General funds	5,755	5,113	(12,924)	8,908	-	6,852
Fixed Asset Fund	17,560	-	-	(599)	-	16,961
Aidan Jenkins Graduate Scholarship Fund	444	-	-	-	-	444
Pension reserve	(2,008)	-	177	-	-	(1,831)
Total Unrestricted Funds - College	21,751	5,113	(12,747)	8,309	-	22,426
Unrestricted funds held by subsidiaries	81	35	(94)	-	-	22
Total Unrestricted Funds - Group	21,832	5,148	(12,841)	8,309	-	22,448
Total Funds	298,875	13,847	(16,852)	-	43,727	339,597

Figures for the current year are stated in Note 17.

THE WARDEN AND SCHOLARS OF THE HOUSE OR COLLEGE OF SCHOLARS OF MERTON IN THE UNI

England & Wales - Charity number 1139022

Accounts

MERTON
COLLEGE
OXFORD

Annual Report and Financial Statements
Year ended 31 July 2021

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MEMBERS OF THE GOVERNING BODY 1 August 2020 to 31 July 2021

The members of the Governing Body, who are Fellows of the College, are the College's charity trustees. The members of the Governing Body who served in office during the year or at the date of this Report are detailed below.

		1	2	3	4	5
Mr Charles Alexander		•	•	•	•	
Dr Jennifer Altehenger			•			
Professor Rhiannon Ash			•			
Professor Alan Barr		•	•			
Dr Kathryn Blackmon		•	•			
Dr David Brantner						
Dr Alice Brooke			•	•		
Dr Gwen Burnyeat	(appointed 1.10.20)					
Professor Mindy Chen-Wishart			•			
Mr Mark Coote	(appointed 4.5.21)				•	
Dr Lisandra Costiner						
Dr Francis Dunn						
Frater John Eidinow		•	•			
Professor Artur Ekert					•	•
Professor Radek Erban			•			
Dr Joshua Firth	(fellowship ended 30.09.20)					
Mr John Gloag		•				
Professor Veronique Gouverneur			•			
Dr Jane Gover			•	•		
Professor Daniel Grimley		•	•			
Dr Matthew Grimley			•		•	
Professor Timothy Guilford			•	•		
Professor Steven Gunn			•			

Professor Matthew Higgins			•			
Professor Peter Holland					•	
Professor Simon Hooker			•			
Professor Ehud Hrushovski						
Professor Lorna Hutson						•
Mr Nicholas Irwin	(appointed 1.10.20)					
Dr Xiangyu (Michael) Jie	(appointed 1.10.20)					
Revd Canon Dr Simon Jones		•	•	•	•	
Professor Julian Knight			•	•		
Dr Madhavi Krishnan			•	•		
Professor Nathaniel Lane	(appointed 1.9.20)		•			
Professor Irene Lemos				•		
Mr Timothy Lightfoot		•	•	•		
Mr Andrew Mackie						•
Professor Ian Maclachlan			•			
Professor Richard McCabe			•			
Professor Alan Morrison		•				
Professor Peter Neary	(retired 1.9.20)					
Dr Elias Nosrati						
Professor Béla Novák						•
Professor Luke Ong			•		•	
Professor David Paterson			•			
Professor Jennifer Payne			•			
Professor Jonathan Prag			•			
Professor Thomas Richards			•			
Dr Marc Roth						
Dr Emily Rutherford	(appointed 1.10.20)					
Professor Simon Saunders			•			
Dr Daniel Sawyer						

Professor Alexander Schekochihin			•			
Professor Alexander Scott			•			
Professor Helen Small		•		•		•
Dr Henry Spelman	(appointed 1.10.20)					
Dr Elizabeth Stubbins Bates						
Dr Collis Tahzib						
Dr Bassel Tarbush			•	•		
Dr Matthew Thomson						
Professor Patricia Thornton			•	•		
Professor Ulrike Tillmann						•
Professor Irene Tracey		•	•	•	•	
Dr Sebastian Vasquez-Lopez						
Dr Julia Walworth			•	•	•	
Professor Hugh Watkins						
Dr Michael Whitworth			•			
Professor Sir Andrew Wiles						

The following Fellows were appointed as members of the Governing Body from 6 October 2021: Dr James Newton, Dr Brianne Dolce, Dr Chloe Deambrogio, Mr Vatsal Khandelwal, Ms Helen Craske, Dr Hadleigh Frost.

During the year, the major activities of the Governing Body were carried out through five main committees (further details on these committees are provided in the Report of the Governing Body below). The membership of these committees is shown above for each Fellow.

1. Finance Committee
2. Warden & Tutors Committee
3. Graduate Committee
4. Development Committee
5. Remuneration Committee

COLLEGE SENIOR STAFF

The senior staff of the College were as follows for the year ended 31 July 2021:

Professor Irene Tracey	Warden
Dr Kathryn Blackmon	Sub Warden
Mr Charles Alexander	Finance Bursar
Mr Timothy Lightfoot	Domestic Bursar
Mr John Gloag	Estates Bursar & Land Agent
Revd Canon Dr Simon Jones	Chaplain
Fra' John Eidinow	Dean & Keeper of the Statutes (from 1 August 2020)
Dr Jane Gover	Senior Tutor
Mr Milos Martinov	Acting Development Director (until 4 May 2021)
Mr Mark Coote	Development Director (from 4 May 2021)
Dr Julia Walworth	Librarian

COLLEGE ADVISERS

Investment Managers

Legal & General, One Coleman Street, London EC2R 5AA

Schroder & Co. Limited, 31 Gresham Street, London EC2V 1QA

Auditors

Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Bankers

Barclays Bank plc, Oxford City, 54 Cornmarket Street, Oxford OX1 3HB

Solicitors

HCR Hewitsons, Elgin House, Billing Road, Northampton NN1 5AB

Mills & Reeve, 112 Hills Road, Cambridge CB2 1PH

Penningtons Manches, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Wilsons LLP, Alexandra House, St Johns Street, Salisbury SP1 2SB and, Lincoln's Inn Fields, London WC2A 3AA

Surveyors

Savills, Wytham Court, 11 Westway, Oxford OX2 0QL

Gerald Eve LLP, 72 Welbeck Street, London W1G 0AY

Other

Peninsula Business Services, 2 Cheetham Hill Road, Manchester M4 4FB

College address
Merton Street, Oxford OX1 4JD

Website
www.merton.ox.ac.uk

REPORT OF THE GOVERNING BODY

Under the Charities Act 2011, the Governing Body presents its Annual Report for the year ended 31 July 2021 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Merton College is a charitable corporation founded as a self-governing community of scholars first in Malden, Surrey, and then in Oxford, by Walter of Merton, Lord Chancellor of England and Bishop of Rochester, with royal consent under statutes dated 1264 and 1274. The full legal name of the College is 'The Warden and Scholars of the House or College of Scholars of Merton in the University of Oxford'. The term 'Fellows' latterly replaced 'Scholars', and the Fellows elected under Statute 4.2(a) of the College Statutes, together with the Warden, who is the head of the College, comprise the Governing Body of the College. The College registered with the Charities Commission on 15 November 2010 (registered number 1139022). Prior to that date the College was an exempt charity under section 3(5a) of the Charities Act 1993, as listed in Schedule 2(b) to that Act.

The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 1 to 5.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes approved by The Queen-in-Council under the Universities of Oxford and Cambridge Act 1923.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Archbishop of Canterbury. The Governing Body is self-appointing, and membership is subject to review and renewal every seven years and lapses with retirement from office.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by five main committees and thirty ancillary or subsidiary committees, forums and panels.

At the beginning of Michaelmas Term 2020, the College adopted bylaws enabling the Governing Body and College committees to meet virtually, increasing the flexibility of its response to emergencies such as the pandemic.

Recruitment and training of members of the Governing Body

New Fellows are elected to the Governing Body on the basis of their knowledge of and contribution to education, learning and research within the College and the University of Oxford, or on the basis of their possession of professional and administrative qualifications and skills that will enable them to advise and assist other members of the Governing Body.

Recommendations concerning appointments to Fellowships are made to the Governing Body by committees convened specifically for the purpose and chaired by the Warden. Appointment committees include expert members recruited from outside the College, and academic appointments may be made by joint process with a faculty or department of the University of Oxford.

New members of the Governing Body are inducted into the workings of the College, including their role as trustees and Governing Body policies and procedures by the senior staff of the College, are provided written reference material explaining their roles, and may attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College other than as provided for by the Statutes of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which are Fellows not employed by the College and external members. Where possible, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior College staff is set by the Governing Body on the advice of the Remuneration Committee in line with market norms.

Organisational management

The Governing Body meets at least nine times a year. The work of developing and monitoring the implementation of its policies is mostly carried out by five committees, described below.

Finance Committee

The Committee is responsible for advising the Governing Body on all matters concerning finance, financial administration, investment, accounting and risk management. The Committee is also responsible for the administration of the terms and conditions of employment of non-academic staff and academic staff who are not members of Governing Body (the Remuneration Committee is responsible for members of Governing Body, and employment issues may also be considered by the Equality Forum). The Committee is chaired by the Warden and has up to fourteen members, including up to three members with relevant skills who are not members of the Governing Body and include the College Accountant. It meets at least six times each year. There is an Investment Sub-Committee consisting of four members of the Governing Body, including the Warden and up to five members who have relevant professional skills and experience and who are not members of the Governing Body. There is also a Benefactions Sub-Committee tasked with ensuring the appropriate use of restricted donations made up of up to five life members of the College.

Academic Committees ('Warden & Tutors' Committee' and 'Graduate Committee')

The Warden and Tutors' Committee has delegated authority to make and enforce regulations on all matters concerning junior members, including their academic work, welfare, recreational use of College facilities, and disciplinary matters. The Committee reports to the Governing Body its decisions on all matters of principle on these topics, and makes recommendations to the Governing Body on other relevant matters, including material changes to the range and focus of educational activities.

The Committee is chaired by the Warden and its more than thirty members include the Senior Tutor, the subject Tutors, the Finance and Domestic Bursars, the Librarian, the Chaplain and the Academic Registrar. The Committee meets at least twelve times each year. Undergraduate representatives attend at least one meeting per term. Subsidiary committees are responsible for considering student discipline, teaching needs, access and schools liaison, and student support.

The Graduate Committee considers all matters related to postgraduate members. It is chaired by the Warden and convened by the Senior Tutor, with academic membership representing all four divisions of the University, key College Officers including the Dean of Graduates and graduate student representatives. It meets six times per year. There is also a Research Committee reporting directly to the Governing Body.

Development and Alumni Relations Committee

The Committee is responsible for the oversight and co-ordination of fundraising and alumni relations activities undertaken by the College, for the recommendation of policy on fundraising and alumni relations, and for the consideration of matters concerning the external relations of the College. It also has responsibility, delegated from Governing Body, for the acceptance of gifts. The Committee is chaired by the Warden and has fourteen members, including the Development Director, two student representatives and three other members with relevant skills and experience who are not members of the Governing Body. It meets at least three times each year.

Remuneration Committee ('Committee on Stipends and Allowances')

The Committee is responsible for making recommendations to the Governing Body concerning the remuneration and benefits of any member of the Governing Body who is employed by the College, or any College Officer who is not a member of the Governing Body. There are seven members of the Committee, no member of the Committee may be an employee of the College, and the chair and three other members may not be members of the Governing Body. The Committee usually meets once annually or otherwise as required.

Other Committees

Apart from the main committees, there are committees devoted to specific areas of College life including Buildings, Chapel and Patronage, IT Services, Library, and Sports. The Domestic Committee oversees all the domestic arrangements of the College. There are student representative members on most of these committees.

The Statutes & Bylaws Committee is tasked with reviewing the statutes, bylaws, regulations and policies of the College and usually meets three times a term. The Fellowship & Appointments Committee is tasked with making recommendations to Governing Body concerning election of Fellows and other appointments. It meets at least once a term.

The day-to-day running of the College is delegated to the Warden, supported by the Sub Warden, Senior Tutor, Tutors, Bursars, Chaplain, Dean & Keeper of the Statutes, Librarian and Development Director. The Warden attends meetings of nearly all the Governing Body's Committees.

Group structure and relationships

The College administers many special funds as detailed in the notes to the financial statements.

The College has a wholly owned non-charitable subsidiary, Merton Enterprises Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton Enterprises Limited comprise letting of the College facilities and merchandise sales.

The College has a wholly owned non-charitable subsidiary, Merton College No. 1 Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Merton College No. 1 Limited comprise the purchase, development and sale of land and property.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

OBJECTIVES AND ACTIVITIES
Charitable Objects and Aims

The College's Objects for the public benefit are; to advance education, learning, research, and religion through the provision of a college in Oxford or elsewhere.

The College's Aims for the public benefit are to achieve the highest outcomes in education, learning and research at national and international level; and to maintain the College Chapel as a place of public worship pursuing the highest standards of liturgical, homiletical, and musical excellence.

The Aims for the College's subsidiaries are to help finance the achievement of the College's Objects.

Activities of the College

The College's principal activity is the advancement of education and learning, through provision of teaching and educational support, to approximately 600 resident undergraduate and graduate students who have been admitted as members of the College and who are engaged on a course of studies leading to the award of a degree in the University of Oxford, through the appointment or employment of Fellows and academic staff who are actively engaged in research, through the provision of accommodation and support facilities and through the provision of research grants to Fellows and students.

Public benefit

The Governing Body intends that the benefits of education and learning provided by the College should be available to the widest possible range of suitably qualified candidates, irrespective of background, and takes careful note of the guidance provided by the Charity Commission on public benefit, the advancement of education and fee-charging.

To this end, the College participates with the University of Oxford and other colleges and institutions in Oxford in an access bursary scheme to provide financial assistance to eligible home undergraduate students.
See http://www.ox.ac.uk/students/fees-funding/ for details of the Oxford Bursary Scheme.

In order to encourage applications from excellent students who might not otherwise consider applying for admission to the College, the College employs a Schools Liaison and Access Officer and operates an outreach programme, including schools visits, visits to the College, open days and provision of information, to establish and maintain contact with schools, school teachers and students.

The College retains a team of welfare and medical advisers, who provide support and confidential counselling to students and staff who are distressed or who have special needs, and who may authorise grants and funding for referrals for specialist professional treatment or advice.

Students are provided with opportunities to contribute to College policies and practices, through participation in College committees, through formal and informal interaction with College Officers and Fellows, and through voluntary surveys and assessment processes.

The College operates student support funds which may be used to make grants to any student in financial hardship, including grants to supplement funding shortfalls and grants for special academic needs.

The College provides scholarship funds to graduates and makes grants to all students for books and equipment and travel and other research related activities.

The College provides residential accommodation for approximately 300 undergraduates and 170 graduates.

The Equality Forum comprises seven members drawn from the Governing Body, four student members, seven staff members (a College Lecturer, the HR Manager, the Academic Registrar, the SLAO, the SSA, and two non-academic employees of the College who are not members of GB) and one external member. The Forum considers and makes recommendations concerning equality in all aspects of College life, including admission of students and student provision and progress, as well as employment issues. The Governing Body appoints one of its members as Equality Adviser.

The College is normally open to the public during visiting hours throughout most of the year. However, the College has been closed to visitors during the current public health emergency. Chapel services were open to members of the public for half of Michaelmas and all of Trinity terms.

ACHIEVEMENTS AND PERFORMANCE

The Impact of Covid-19

The College continued to be impacted by the pandemic during the year. As the year started, the College adjusted teaching and domestic arrangements for students that were now allowed to return after the complete shutdown in Trinity Term 2020. The College set up the necessary policies and protocols to keep students and staff safe and provide the best experience possible for students under the circumstances. The lockdowns in November and then again in January required significant adjustments which the students and staff adjusted to well given the difficulties, particularly the need to react to changes in government regulation promptly. The College continued to see a significant impact on both its revenues, as conference and student accommodation income was lost, and costs as the College invested in extra facilities, particularly a marquee to facilitate socially distanced dining, and the necessary personal protection equipment and cleaning consumables to keep the College community as safe as possible. The eventual easing of all restrictions came too late to have any benefit in the year. The College continued to furlough some staff in the year, but fewer than in 2019-20.

Undergraduate students

310 students were enrolled for undergraduate degree courses at the University of Oxford during the year. Of these, 269 were of UK/EU origin and 41 were from overseas. 181 were studying humanities and social sciences subjects and 129 were studying mathematics, medicine and physical sciences.

120 undergraduates held College scholarships during the year. 155 undergraduates were awarded College prizes for good work in examinations, and 20 undergraduates were awarded prizes for other academic work. 20 undergraduates were awarded prizes by the University of Oxford.

78 undergraduates were entered for Final Honour Schools examinations at the University of Oxford in 2021, 46 of them (59%) obtained class 1 degrees – an increase from 56.2% in the previous year. 30 (38.5%) obtained class 2.1 degrees, 2 (2.6%) obtained class 2.2 degrees, and no students obtained a class 3 degree. Further details of educational background, gender and course of study of candidates are contained in the following table:

**Percentages may not sum to 100 due to rounding.*

	Class of Degree (First Degree Undergraduates)				
	1	**2.1**	**2.2.**	**3**	**Total**
Maintained Schools	22 (58%)	16 (42%)	0	0	38
Independent Schools	12 (48%)	11 (44%)	2 (8%)	0	25
Overseas Schools	12 (86%)	2 (14%)	0	0	14
Male	27 (68%)	11 (28%)	2 (5%)	0	40
Female	19 (50%)	19 (50%)	0	0	38
Humanities & Social Sciences	30 (57%)	22 (42%)	1 (2%)	0	53
Mathematics & Physical Science	16 (64%)	8 (32%)	1 (4%)	0	25

Graduate students

187 graduate students were enrolled for research study leading to the DPhil degree at the University of Oxford during the year, of whom 50 were studying humanities, 76 were studying mathematics and physical sciences, 27 were studying social sciences, and 34 were studying medical sciences.

76 students were enrolled for other graduate degrees at the University of Oxford, including the EMBA/MBA, BCL/MJur, MSc, MSt, MPhil, and BPhil.

29 graduates were awarded DPhil degrees and 39 graduates were awarded other graduate degrees during the year.

22 graduates were elected to College scholarships, and three graduates were awarded a College prize for good academic work during the year. Two graduates were awarded a prize by the University of Oxford.

Scholarships, bursaries, grants and prizes

Expenditure during the year was as follows:

Undergraduates	
Oxford Bursaries	£91,932
Prizes	£41,455
Scholarships	£78,339
Other grants	£41,575
Graduates	
Scholarships	£655,678
Research and other grants	£24,502
All students	
Student support and book grants	£126,283

Welfare and special needs

The annual cost of staff time (Chaplain, Senior Tutor, Academic Registrar, Nurse, Doctor and Junior Deans for Welfare) and other cost of welfare provision (including a contribution to the University Counselling Services) is of the order of £80,000. 9.9% (57) of the total student population in 2020-21 (38 undergraduates and 19 graduates) declared a disability.

Schools liaison

The College engaged in over 25 schools liaison activities during the year working with more than 30 schools. These were either Merton only events or in conjunction with the University of Oxford or other Oxford or Cambridge Colleges. In addition, the South West Consortium formally launched (Merton College, Exeter College and Lady Margaret Hall) and delivered its first joint events, reaching over 500 students in the region. Schools liaison activities included visits to schools/colleges, workshops focusing on different aspects of applications, and taster lectures. Due to the pandemic, only one in-person visit to Merton College was possible. Most activities took place online and most commonly these were for students in years 12 and 13. They highlighted the ways in which Oxford differs from other UK universities, raised awareness of all stages of the application process, and provided information about degree options. The activities also played a role more broadly in raising aspirations and encouraging progression to Higher Education. The number of activities remained lower than the College would normally expect, due to a period of vacancy in the Schools Liaison and Access Officer role and the ongoing problems of Covid-19 while schools and colleges focused on keeping their pupils' studies on track amidst lockdowns and pupil and teacher absences.

However, a significant advantage of online events was that it was possible to reach higher numbers of young people in each session, as evidenced by the South West Information Days. The University Open Days in September 2020 and the summer of 2021 were held virtually for the second year running.

In the summer of 2021, the College formally agreed to participate in partnership working with the Social Mobility Foundation, a UK wide charity aiming to make practical improvements to the social mobility of young people by providing opportunities and networks to sixth form students who are not able to get these from their schools and families. The first two events took place in June and July 2021.

The annual cost of employing a Schools Liaison and Access Officer, together with associated costs, was of the order of £23,000 – slightly lower than in previous years due to the start date of the postholder.

Library

The College Library provides support for teaching, learning, and research by members of the College and visiting researchers through resources, professional assistance, and creation of environments for productive study. The Library also contributes to the effective running of the College administration through management of records, archives, and provision of information. The Library and Archives Committee, which reports to Governing Body, has representation from fellows, undergraduates, and postgraduates. Decisions about library services are informed by regular user experience surveys, and by informal communications. The College supports staff membership in professional organisations, and staff maintain awareness of best practice through participation in university and professional groups.

Many activities and services continued to be affected by the pandemic this year. A number of the figures related to these activities are lower than usual.

Timely access to printed books continues to rank on annual undergraduate surveys as the library's most highly-valued service along with study space. This year the library reading rooms were open by prior booking, with reduced occupancy. The click and collect and scan services remained operational throughout the academic year. A total of 889 print books were acquired of which 81 were gifts. The library participated in an initiative to coordinate the purchase of individual e-publications across the collegiate university. The College also contributed towards the cost of emergency access to packages of electronic books and journals. There were 16 accessions to the archives this year; 4 gifts and 12 internal transfers.

During the pandemic closure library staff handled many email enquiries from students regarding finding and user electronic resources. Staff also responded to 408 written research enquiries (exclusive of reprographic requests).

The Library aims to care for special collections, archives, and heritage material to professional standards, to make them known to researchers and the public, and to make them physically accessible for research and for teaching. On-site research visits for consultation of special collections were suspended until June 2021. In mitigation, staff provided an enhanced enquiry service and provided study images to researchers.

In June and July 2021 the Library received 10 research visits, of which 2 were made by researchers from outside Oxford. An online exhibition, 'Merton Women Since 1264' was prepared by the Archivist and the Fellow Librarian. There were no guided tours or academic group visit to the historic library in 2020-2021.

Fellows

In September 2020, Professor Nathaniel Lane took up a Tutorship in Economics at the College. A new Leventis Research Fellow in Ancient Greek, Dr Henry Spelman, arrived at the start of October 2020 and four new Junior Research Fellows joined the College in October 2020: Dr Gwen Burnyeat (Anthropology), Dr Xiangyu Jie (Chemistry), Dr Nicholas Irwin (Biology) and Dr Emily Rutherford (History). Mr Mark Coote took up the role of Development Director in May 2021. Professor Peter Neary, Professor of Economics, retired in September 2020 and Dr Joshua Firth (Junior Research Fellow in Biology) was awarded a BBSRC Discovery Fellowship and left the College in September 2020.

Professor Neary sadly passed away in June 2021. Professor Ulrike Tillmann has been appointed Director of the Isaac Newton Institute at the University of Cambridge from October 2021 and was elected a Sir Henry Savile Fellow of the College. Professor John Geddes was appointed as WA Handley Professor of Psychiatry from November 2021 and will become a Fellow of the College.

Employment costs were, in respect of Teaching Fellows, £1,389 million for the year, in respect of other teaching staff £436,000 for the year and in respect of Research Fellows and other Fellows (including stipends paid to part-time College Officers) £563,000 for the year.

Research grants of £125,000 were made to Fellows during the year.

The academic Fellows on the College's Governing Body included 20 Mathematical, Physical and Life Scientists, 22 scholars in the Humanities, 11 in the Social Sciences and 7 in the Medical Sciences. The research interests of Fellows are described further at http://www.merton.ox.ac.uk/fellowsandresearch/fellows.shtml

Chapel

Daily public services were held in the College Chapel until half way through Michaelmas Term, and resumed at the beginning of Trinity Term. In the second half of Michaelmas Term, Covid restrictions prevented congregations from attending public worship. Services sung by the College Choir were livestreamed for the last four weeks of term. In Hilary Term, when the majority of students studied from home, weekday Morning Prayer was held on Zoom, the Eucharist was celebrated in the Chapel on Sundays, and a shortened form of Evensong (sung by three cantors) was held on Sunday evenings. Resident members of the community were able to attend the Sunday evening services, which were also livestreamed. Throughout the year, Junior members participated in the running of the Chapel, and the Chaplain was assisted by a new Associate Chaplain and a Pastoral Assistant (student in training for ordination in the Church of England). Most Chapel collections are donated to charitable causes. In the Michaelmas and Trinity Terms a total of £929 was donated to Oxford Mutual Aid, Armonia, Christian Aid, Dobson Organs and Papyrus.

Choral Foundation

A full complement of 25 choral scholars, 5 choral bursary holders, and two organ scholars have contributed to the services in Chapel on a Sunday, Tuesday and Thursday. On a Wednesday the service is sung by 24 Girl Choristers, who are drawn from ten different schools across Oxford. In the academic year 2020/2021, choral services were able to proceed, although the number of singers was restricted to three during Hilary Term. During that term, only the service on a Sunday evening was sung. All choral services during the academic year were webcast through the College Choir's YouTube account.

The College Choir recorded and broadcast live two services for BBC Radio 3 in October 2020. In December, the College Choir joined Bryn Terfel, John Rutter and the Oxford Philharmonic Orchestra to film a concert from the Sheldonian Theatre in honour of the Oxford Vaccine Team. The Girl Choristers joined the Oxford Bach Choir to record a Carol Concert for BBC Radio Oxford, which was broadcast on Christmas Day. In June 2021, the College Choir recorded a disc of music by Herbert Howells and Ian Venables for Delphian Records, and in August 2021 the Girl Choristers recorded Christmas music for Delphian Records. The College Choir premiered Daniel Kidane's *Christus factus est* on 3 July, as part of a Summer Concert marking the end of the academic year.

Capital projects

There were no major capital projects undertaken in 2020-2021.

Within routine property expenditure, replacement double glazing was installed to student accommodation in Rose Lane 4. New fire detection and emergency lighting systems were installed to student houses at 1, 4, 7, 8, 9, 10, 12 and 18 Manor Place.

The College completed the refurbishment of the archway between Front Quad and St Albans Quad, including the installation of a plaque to recognize donors to the 750th Anniversary Campaign. Subsequently, the area was renamed the Benefactors Arch.

Fundraising

Following the considerable disruption experienced during 2019-20, the 2020-21 financial year saw a significant resumption of fundraising activity, to the extent possible under pandemic restrictions. Despite the continued difficult situation in the country and the world, 2020-21 was Merton's most successful fundraising year since the conclusion of the 750th Anniversary Campaign.

The College's fundraising activities were focused on securing funds for a number of key areas, including Fellowships, Graduate Scholarships, bursaries for undergraduates, the Library, the Chapel and support for students in hardship. In August 2020, the College secured permanent association with the prestigious Regius Professorship in Mathematics. £2.250 million in total was raised by Mertonians over several financial years in order to underpin this Fellowship financially for future generations. Excellent progress was made with the campaign to endow a Tutorship in Physics in memory of Michael Baker. By the end of the financial year, £810,000 had been raised in gifts and pledges towards the target of £1 million for this appeal. Further significant donations were received for the College Choir and the Leventis Research Fellowship in Ancient Greek.

The College also held a successful Telethon in April 2021, with student callers working safely from their rooms and raising in excess of £222,000 for a variety of causes within the College. The year concluded with two smaller-scale appeals: £22,500 was raised to replace the College's weathered Bastion Bench and 97% of 2021 leavers made donations of £12.64 each in support of student welfare and mental health. The leavers' donations were kindly matched by a donor.

During the year, the College received £2.654 million in donations and legacies. Of the overall cash donated, £1.356 million was received in respect of Fellowships (teaching and research), £211,000 towards Graduate Scholarships, £176,000 in respect of Student Support and the Student Experience, £329,000 for buildings projects, and £315,000 for other purposes. £267,000 was received in unrestricted donations. A total of £3.732 million was pledged in new funds.

The College is registered with the Fundraising Regulator and employs full-time professional staff in the Development Office to act on its behalf in this area and to ensure that it is compliant with the Code of Fundraising Practice. The College did not receive any complaints relating to its fundraising activities.

FINANCIAL REVIEW

Total income for the year, £13.847 million, was £1.157 million higher than the preceding year, which resulted from a decrease in trading income (of £509,000) and other income (of £168,000) offset by increases in donations and legacies (up £1,439 million) and investment income (up £226,000).

Total expenditure was £16.969 million, an increase of £2.372 million. £1.322 million of this increase was due to the grant to the University of funds raised in support of the Regius Professorship. Net income showed a deficit of £3.122 million. Net gains on investments were £43.727 million. Total funds and net assets increased to £339.597 million from £298.875 million.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its financial obligations in the event of an unexpected revenue shortfall and to provide a buffer that would ensure uninterrupted services.

Free reserves at the year-end amounted to £6.874 million (2020: £5.836 million), representing net current assets less creditors falling due after more than one year and designated reserve.

The College's target is to maintain free reserves of at least two to four months of expected expenditure. Year-end free reserves represented over 5 months of expected expenditure.

Total funds of the College and its subsidiaries at the year-end amounted to £339.597 million (2020: £298.875 million). This includes endowment funds of £313.719 million and unspent restricted funds totalling £3.430 million.

Designated reserves at the year-end comprised of the book value of tangible fixed assets of £16.961 million to be spent over their useful economic lives and £0.444 million representing an unrestricted donation received and designated by the Trustees for a graduate scholarship to be spent over the next ten to twenty years.

Going concern

The Governing Body has considered whether to adopt the going concern basis in preparing these financial statements. In support of this, it has received several briefings on the College's finances from the Finance Bursar, and Finance Committee has reviewed the detailed impact of the pandemic on the College's finances in the short and medium term. The College has a healthy cash position, owns substantial endowed resources, enjoys healthy levels of demand from prospective students, and is ready and able to constrain expenditure growth if necessary. The Governing Body is therefore confident that the College has more than adequate resources to continue its activities for the foreseeable future, and considers that there are no uncertainties concerning the College's viability.

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiary in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas. The College continued to convene a Bronze Group to consider the risks associated with the Covid-19 pandemic. This group reviewed government and University regulations, policies and guidelines issued relating to the public health emergency, and worked with Governing Body and other college committees to implement the actions needed to manage these risks

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiary are exposed and have concluded that robust systems are in place to manage these risks. The principal risks and uncertainties faced by the College and its subsidiary that have been identified are categorised as follows:

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest;
- Operational risks- e.g. the impact of the Covid-19 pandemic, service quality and development, contract pricing, employment issues, health and safety issues, fraud and misappropriation;
- Financial risks- e.g. accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, investment management;
- External risks- e.g. public perception and adverse publicity, demographic changes, government policy; and
- Compliance with law and regulation- e.g. breach of trust law, employment law, data protection law, and regulative requirements of particular activities such as fund-raising.

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;
- Providing appropriate training to all members of staff and at the induction of new fellows;
- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;
- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and data & information security policies; and
- Ensuring the appropriate insurance policies are in place and reviewed regularly.

The College identifies the risks it faces, the potential impact of each risk, the likelihood of recurrence, the severity of impact, and the steps taken to mitigate each particular risk in its Risk Register, which is regularly reviewed by the Finance Committee and approved by Governing Body.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future needs by:

- achieving a nominal return on investment sufficient to maintain or increase the real value of the investments and meet the spending objectives of the College; and
- delivering this objective within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. The College does not use a fixed formal benchmark but compares performance with a wide range of investment indices and investor performance data. The College has made a number of direct and indirect investments that have explicit or implicit socially responsible objectives; its Investment Policy, available on the College's website, includes the College's policy in relation to Socially Responsible Investment. Investment strategy, policy and performance are monitored by the Finance Committee and its Investment sub-committee.

At the year end, the College's aggregate long term investments totalled £317.149 million, of which £282.520 million was general endowment and the composition of which is shown in the notes to the financial statements. The overall total investment return on the general endowment before external expenses was as follows:

Annualised total net return (in GBP) %	
Merton College	18.5%
UK Equities	21.4%
US Equities	30.1%
UK Gilts	-4.1%

The returns on the general endowment reflect the College's asset allocation, particularly its investment in property which returned 16.9% over the year.
The carrying value of the preserved permanent capital (the trust for investment) and the amount of any unapplied total return available for expenditure was taken as the fair value of these funds as at 1 August 2002 (£88.957 million) together with the original gift value of all subsequent endowment received.

The Governing Body annually reviews the level and appropriateness of the unapplied total return allocated to income including a review of prospective investment returns, inflation and market risks. Any surplus arising during the year is reinvested in the College's general endowment.

On the total return basis of investing, it is the Governing Body's policy to extract as income 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn this 3.5% is calculated on the average of the year-end values in each of the last five years. Due to increasing investment values over the previous five years, the effective amounts withdrawn are currently less than the nominal 3.5% stated in this policy.

The equivalent of 3.5% of the five year average value of the securities and property investments was extracted as income on the total return basis in the year. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

The Governing Body continues to consider how it can achieve the highest outcomes in education, learning and research at national and international level, and continues to review the size and shape of the College and encompassing matters of academic policy, governance and administration. College staff and students continue to contribute to the plan.

The College has considered the provision of library facilities and recognised the need for additional library study space. The College has embarked on the planning for a new library. Governing Body will consider the plan for the new library, including its location and how best to finance the building, with the intention of making a decision to proceed, or not, in the course of 2021-22.

Plans to create a pre-school nursery continue, with 22 Manor Place being identified as a suitable location.

Admissions

Undergraduate applicants to Oxford are selected by the individual colleges working within a common framework to ensure that the same standards and practices apply consistently across subjects – see further: https://www.ox.ac.uk/admissions/undergraduate/applying-to-oxford/decisions/common-framework

Overall application numbers across the University in 2020 were 23,672 a slight increase from 23,391 the previous year.

Merton College received 654 applications in 2020-21, a decrease from 703 in the previous year. 100 offers were made in the 2020 admissions cycle, including 2 for deferred entry in 2022.

For information on admissions at Merton compared with other colleges, see: https://public.tableau.com/profile/sdma.oxford.university#!/

Data on ethnicity is not available to the College through the UCAS. Analysis is undertaken by the University Admissions Office retrospectively on behalf of all colleges, and can be found at: https://www.ox.ac.uk/about/facts-and-figures/admissions-statistics/undergraduate-students/current/ethnicity

62 applicants to Merton declared a disability in their application, of which 4 received an offer and a further 3 were taken by other colleges.

Postgraduate applicants are assessed by the relevant department or faculty and all those admitted are guaranteed a college place. Merton continues to attract substantially more applicants than it has places available.

The new financial framework for higher education shifts the burden from state financing to student fees. A key objective of the 750th Anniversary Campaign *Sustaining Excellence* was to build an endowment for student support of at least £2 million and to attract more funding for graduate scholarships. Student support remains a focus for our development activity post-Campaign.

Attracting the best students from the widest possible range of backgrounds requires more than financial support. Therefore, in the UK, the College continues to develop its schools liaison programme through a full-time officer, and aims to appeal to all constituencies by improving and enhancing web-based and electronic media and communications. The College continues to develop its recruitment of graduate scholars collaboratively with the academic faculties and departments of the University of Oxford.

Fellows

For the 2020-21 academic year, new Fellows in post are Dr Jane Gover (Senior Tutor), Professor Nathaniel Lane (Tutor in Economics), Dr Henry Spelman (Leventis Research Fellow in Ancient Greek), Dr Alice Burnyeat (Junior Research Fellow in Anthropology), Mr Xiangyu Jie (Junior Research Fellow in Chemistry), Mr Nicholas Irwin (Junior Research Fellow in Biology) and Dr Emily Rutherford (Junior Research Fellow in History).

Chapel

The Chapel and Patronage Committee, working with the Estates Bursar and Buildings Committee, will continue to consider how best to reduce draughts in the Chapel and improve the efficiency of its heating system. This includes the possible replacement of the Ante-Chapel porch in 2022/23. The sound system will be replaced and a further stage of the lighting project carried out in 2021/22. A quinquennial inspection of the Chapel will also be carried out in 2021/22.

Choral Foundation

In the coming year, the College Choir will broadcast on BBC Radio 3 and record for Delphian Records. The *Passiontide at Merton* festival will be re-established after a two year gap, opening with a concert in the Sheldonian Theatre. In October, the College Choir will premiere *The Merton Responses*, composed for the choir by the College's Visiting Research Fellow in the Creative Arts, Cheryl Frances-Hoad.

Capital projects

Several larger capital projects will be reviewed as part of the College's continuing strategic review, including the consideration of a new library.

Trading income

The T S Eliot Lecture Theatre provides the College with first class facilities that are attractive to third party users. Merton Enterprises Ltd has been able to broaden its customer base following a restructuring of the conference office and proactive marketing of these facilities. However, the College's conference activities were reduced to zero as a result of the pandemic in the year 2020-21. The College hopes conferences will be able to return to the College before the end of the coming financial year.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.
Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departure which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 3 November 2021 and signed on its behalf by:

Warden

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF MERTON COLLEGE

Opinion

We have audited the financial statements of Merton College (the "Charity") for the year ended 31 July 2021 which comprise the Statement of accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Members of the Governing Body and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Office for Students and Oxford University requirements, taxation legislation, data protection, employment and pensions, planning and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and, where relevant, inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Members of Governing Body and other management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- if considered necessary, reviewing correspondence with relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Members of Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP
Statutory Auditor
Oxford

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

STATEMENT OF ACCOUNTING POLICIES

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College with its wholly owned subsidiaries Merton Enterprises Limited and Merton College No1 Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiary. No separate SOFA has been presented for the College alone as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and its material subsidiaries for the reporting year are in note 13.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular FRS 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation of uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Governing Body, in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements.

In the view of the Governing Body, no assumptions concerning the future or estimation of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, Office for Students support and other charges for services

Fees receivable are recognised in the period in which the related service is provided and are stated net of any scholarships, bursaries or other allowances granted from the College's unrestricted funds, Office for Students support and charges for services and use of the premises.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognized following grant of probate and, once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accruals basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.
Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (SOFA).

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £5,000 together with expenditure on equipment costing more that £5,000 is capitalised.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

7. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Building improvements	20 years
Equipment	5 to 10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Heritage Assets

The College has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The College retains information concerning the cost or value on donation only for some of its heritage assets, but disclosure of this information would not give a fair picture of the total value of heritage assets held. The cost of obtaining fair values for the remaining heritage assets would not be commensurate with the benefits to users of the financial statements. Therefore, no cost or value is reflected in the financial statements for heritage assets.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

10. Other financial instruments

a. Derivatives

The College has not entered into any derivative contracts.

b. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12. Foreign currencies

The functional and presentational currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

13. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its general endowment. The College can invest its general endowment without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

Other endowments are invested with Schroder & Co Ltd which distributes on a total return basis.

14. Fund accounting

The total funds of the College and its subsidiary are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required or permitted the capital be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

15. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

Merton College
Consolidated Statement of Financial Activities
For the year ended 31 July 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2021 Total £'000**	2020 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		4,643	-	-	**4,643**	4,474
Other Trading Income	3	17	-	-	**17**	526
Donations and legacies	2	267	911	1,476	**2,654**	1,215
Investments						
Investment income	4	23	1,140	5,172	**6,335**	6,109
Total return allocated to income	14	8,182	-	(8,182)	**-**	-
Other income - Coronavirus Job Retention Scheme		198	-	-	**198**	366
Total income		13,330	2,051	(1,534)	**13,847**	12,690
EXPENDITURE ON:	5					
Charitable activities:						
Teaching, research and residential		12,332	1,225	1,265	**14,822**	12,285
Generating funds:						
Fundraising		495	-	-	**495**	537
Trading expenditure		14	-	-	**14**	392
Investment management costs		-	-	1,638	**1,638**	1,383
Total Expenditure		12,841	1,225	2,903	**16,969**	14,597
Net Income/(Expenditure) before gains		489	826	(4,437)	**(3,122)**	(1,907)
Net gains/(losses) on investments	11, 12	-	100	43,627	**43,727**	222
Corporation Tax refund/(charge) on sale of land		-	-	117	**117**	(2,082)
Net Income/(Expenditure)		489	926	39,307	**40,722**	(3,767)
Transfers between funds	17	127	(127)	-	**-**	-
Net movement in funds for the year		616	799	39,307	**40,722**	(3,767)
Fund balances brought forward	17	21,832	2,631	274,412	**298,875**	302,642
Funds carried forward at 31 July		22,448	3,430	313,719	**339,597**	298,875

Merton College
Consolidated and College Balance Sheets
As at 31 July 2021

	Notes	**2021 Group £'000**	2020 Group £'000	**2021 College £'000**	2020 College £'000
FIXED ASSETS					
Tangible assets	9	**16,961**	17,560	**16,961**	17,560
Property investments	11	**147,357**	129,412	**137,862**	129,412
Other Investments	12	**169,792**	147,631	**178,550**	147,707
Total Fixed Assets		**334,110**	294,603	**333,373**	294,679
CURRENT ASSETS					
Stocks		**373**	339	**340**	308
Debtors	15	**1,554**	1,354	**1,503**	1,339
Cash at bank and in hand		**7,178**	10,453	**7,110**	10,310
Total Current Assets		**9,105**	12,146	**8,953**	11,957
LIABILITIES					
Creditors: Amounts falling due within one year	16	**1,787**	5,866	**1,733**	5,834
NET CURRENT ASSETS		**7,318**	6,280	**7,220**	6,123
TOTAL ASSETS LESS CURRENT LIABILITIES		**341,428**	300,883	**340,593**	300,802
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		**341,428**	300,883	**340,593**	300,802
Defined benefit pension scheme liability	21	**1,831**	2,008	**1,831**	2,008
TOTAL NET ASSETS		**339,597**	298,875	**338,762**	298,794
FUNDS OF THE COLLEGE					
Endowment funds	17	**313,719**	274,412	**312,906**	274,412
Restricted funds	17	**3,430**	2,631	**3,430**	2,631
Unrestricted funds	17				
General funds		**6,874**	5,836	**6,852**	5,755
Fixed Asset Fund		**16,961**	17,560	**16,961**	17,560
Graduate Scholarship Fund		**444**	444	**444**	444
Pension reserve	21	**(1,831)**	(2,008)	**(1,831)**	(2,008)
		339,597	298,875	**338,762**	298,794

The financial statements were approved and authorised for issue by the Governing Body of Merton College on 3 November 2021

Trustee:

Trustee:

Merton College
Consolidated Statement of Cash Flows
For the year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Net cash provided by (used in) operating activities	23	**(14,289)**	(4,193)
Cash flows from investing activities			
Dividends, interest and rents from investments		**6,335**	6,109
Proceeds from the sale of property, plant and equipment		**-**	19
Purchase of property, plant and equipment		**(535)**	(999)
Proceeds from sale of investments		**16,544**	68,723
Purchase of investments		**(9,425)**	(69,770)
Change in endowment cash			
Net cash provided by (used in) investing activities		**12,919**	4,082
Cash flows from financing activities			
Receipt of endowment		**1,476**	479
Net cash provided by (used in) financing activities		**1,476**	479
Change in cash and cash equivalents in the reporting period		**106**	368
Cash and cash equivalents at the beginning of the reporting period		**10,521**	10,153
Change in cash and cash equivalents		**106**	368
Cash and cash equivalents at the end of the reporting period	24	**10,627**	10,521

1 INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
Teaching, Research and Residential	**£'000**	£'000
Unrestricted funds		
Tuition fees - UK and EU students	**1,410**	1,367
Tuition fees - Overseas students	**809**	770
Other Office for Students support	**286**	245
Other academic income	**125**	90
College residential income	**2,013**	2,002
Total income from charitable activities	**4,643**	**4,474**

The above analysis includes £2,496k received from the University of Oxford from publicly accountable funds under the CFF Scheme (2020: £2,384k).

2 DONATIONS AND LEGACIES

	2021	2020
	£'000	£'000
Donations and Legacies		
Unrestricted funds	**267**	279
Restricted funds	**911**	457
Endowed funds	**1,476**	479
	2,654	1,215

3 INCOME FROM OTHER TRADING ACTIVITIES

	2021	2020
	£'000	£'000
Subsidiary company trading income	**35**	232
Other trading income	**(18)**	294
	17	526

4 INVESTMENT INCOME

	2021	2020
	£'000	£'000
Unrestricted funds		
Bank interest	**23**	1
	23	1
Restricted funds		
Equity dividends	**1,140**	1,136
Interest on fixed term deposits and cash	**-**	4
	1,140	1,140
Endowed funds		
Agricultural rent	**1,351**	1,358
Commercial rent	**1,322**	1,622
Other property income	**594**	501
Equity dividends	**1,007**	1,380
Income from fixed interest stocks	**54**	98
Interest on fixed term deposits and cash	**-**	9
Other investment income	**844**	-
	5,172	4,968
Total Investment income	**6,335**	6,109

5 ANALYSIS OF EXPENDITURE

	2021	2020
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	**6,506**	5,963
Other direct costs allocated to:		
Teaching, research and residential	**6,248**	4,254
Support and governance costs allocated to:		
Teaching, research and residential	**2,068**	2,068
Total charitable expenditure	**14,822**	12,285
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	**276**	364
Investment management costs	**345**	294
Other direct costs allocated to:		
Fundraising	**119**	113
Trading expenditure	**14**	392
Investment management costs	**1,251**	1,044
Support and governance costs allocated to:		
Fundraising	**100**	60
Investment management costs	**42**	45
Total expenditure on raising funds	**2,147**	2,312
Total expenditure	**16,969**	14,597

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £276k (2020 £239k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	**2021 Total £'000**
Financial administration	14	257	**271**
Domestic administration	6	99	**105**
Human resources	42	159	**201**
IT	22	399	**421**
Depreciation	55	1,079	**1,134**
Bank interest payable	1	16	**17**
Other finance charges	2	33	**35**
Governance costs	-	26	**26**
	142	2,068	**2,210**

	Generating Funds £'000	Teaching and Research £'000	2020 Total £'000
Financial administration	14	264	278
Domestic administration	6	114	120
Human resources	10	169	179
IT	19	383	402
Depreciation	54	1,067	1,121
Loss/(profit) on fixed assets	-	(1)	(1)
Other finance charges	2	48	50
Governance costs	-	24	24
	105	2,068	2,173

Support and governance costs are attributed according to the estimated staff time spent on each activity.

	2021 £'000	2020 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	**18**	18
Auditor's remuneration - tax advisory services	**2**	-
Other governance costs	**6**	6
	26	24

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

7 GRANTS AND AWARDS

	2021 £'000	2020 £'000
During the year the College funded research awards and bursaries to students from its endowed, restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	**555**	430
Bursaries and hardship awards	**1**	4
Total unrestricted	**556**	434
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	**300**	323
Bursaries and hardship awards	**203**	219
Grants to the University of Oxford	**47**	-
Total restricted	**550**	542
Endowed funds		
Grants to the University of Oxford	**1,265**	-
Total grants and awards	**2,371**	976

The above costs are included within the charitable expenditure on Teaching, research and residential.

8 STAFF COSTS

	2021	2020
The aggregate staff costs for the year were as follows.	**£'000**	£'000
Salaries and wages	**6,211**	6,270
Social security costs	**573**	573
Defined benefit scheme pension costs:		
Continuing charges	**971**	946
Pension provision change (see note 21)	**(190)**	(713)
Other benefits	**184**	144
	7,749	7,220

The average number of employees of the College, excluding Trustees, on a headcount basis was as follows.	**2021**	2020
Tuition and research	**40**	42
College residential	**76**	78
Fundraising	**5**	6
Support	**11**	11
Total	**132**	137

The average number of employed College Trustees during the year was as follows.

Associate Professor Tutorial Fellowship (University)	**21**	20
Associate Professor Tutorial Fellowship (College)	**7**	8
Other teaching and research	**14**	14
Other	**8**	7
Total	**50**	49

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs are met through unrestricted funds.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	**1**	1

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	**1**	1

9 TANGIBLE FIXED ASSETS

Group & College	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	**Total £'000**
Cost			
At start of year	31,766	2,743	**34,509**
Additions	345	190	**535**
At end of year	**32,111**	**2,933**	**35,044**
Depreciation and impairment			
At start of year	14,874	2,075	**16,949**
Depreciation charge for the year	955	179	**1,134**
At end of year	**15,829**	**2,254**	**18,083**
Net book value			
At end of year	**16,282**	**679**	**16,961**
At start of year	16,892	668	**17,560**

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

The heritage assets held by the college comprise medieval manuscript books (327); medieval and early modern records of the college and its estates dating from the twelfth century (c10,000 pre-1800 items including deeds, surveys, court rolls, maps, and various other records); rare printed books (15th-19th centuries: c14,000; 20th-21st century: 3,500 rare editions and special copies); collections of personal papers (21 mixed-media collections); early astronomical instruments (5); 18th century globes (2); paintings, prints, and drawings (357); historic table and chapel silver (16); miscellaneous historic furnishings (e.g. chests, clocks etc). Most new acquisitions are by gift or bequest. Criteria for decisions on whether to acquire heritage items include complementarity with existing collections, the intellectual appropriateness of the college as repository, and the ability of the college to house the collection appropriately and make it available to researchers. The college does not dispose of heritage assets.

Heritage assets are managed by the Fellow Librarian and the Domestic Bursar under the oversight of the Library and Archives Committee and the Sub-Committee on Pictures and Historic Chattels. There are three full-time professional librarians and a professional archivist is employed three days per week. The college is a member of the Oxford Conservation Consortium which employs four accredited conservators who provide preservation expertise and treatment of individual items. Specialist advice is sought when needed. Heritage items are housed in a number of locations throughout the college with special security, fire detection and fire suppression in the main storage areas. The environments of storage areas and rooms housing significant assets are regularly monitored and managed under the guidelines in PAS 198:2012 Specification for managing environmental conditions for cultural collections.

Records of heritage assets are held in a combination of electronic and hard-copy formats. These are freely available for research consultation either online or on site. The college maintains a programme of exhibitions onsite and loans items for display in the context of public exhibitions in the UK and abroad.

Various heritage assets have been acquired during the last five years, including the receipt in the current year (2020: £Nil) of a donated painting of Sir Henry Savile attributed to the artist Hieronimo Custodis (c1594) recently valued at £7.5k for insurance purposes.

11 PROPERTY INVESTMENTS

Group

	Agricultural £'000	Commercial £'000	Other £'000	**2021 Total £'000**	2020 Total £'000
Valuation at start of year	68,163	42,717	18,532	**129,412**	136,577
Additions and improvements at cost	144	83	34	**261**	170
Disposals	(31)	(9)	(889)	**(929)**	(12,781)
Revaluation gains/(losses) in the year	17,322	308	983	**18,613**	5,446
Valuation at end of year	85,598	43,099	18,660	**147,357**	129,412

College

	Agricultural £'000	Commercial £'000	Other £'000	**2021 Total £'000**	2020 Total £'000
Valuation at start of year	68,163	42,717	18,532	**129,412**	136,577
Additions and improvements at cost	144	26	34	**204**	170
Disposals	(31)	(9,447)	(889)	**(10,367)**	(12,781)
Revaluation gains/(losses) in the year	17,322	308	983	**18,613**	5,446
Valuation at end of year	85,598	33,604	18,660	**137,862**	129,412

Estates land and property valuations as at 31 July have been made by the College Land Agent, a Chartered Surveyor, in consultation with an independent firm of Chartered Surveyors, the basis of valuation being market valuation. In a small number of cases valuations have been made solely by the Land Agent, the basis of valuation being market valuation.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2021 £'000	2020 £'000
Group investments		
Valuation at start of year	**147,631**	145,878
New money invested	**9,164**	69,600
Amounts withdrawn	**(12,117)**	(62,623)
Increase/(decrease) in value of investments	**25,114**	(5,224)
Group investments at end of year	**169,792**	147,631
Investment in subsidiaries	**9,514**	76
less: cash reserves within subsidiaries included in group figures above	**(756)**	-
College investments at end of year	**178,550**	147,707

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	**2021 Total £'000**	Held outside the UK £'000	Held in the UK £'000	2020 Total £'000
Equity investments	-	77,126	**77,126**	-	66,464	66,464
Global multi-asset funds	-	31,912	**31,912**	-	28,494	28,494
Fixed interest stocks	-	12,925	**12,925**	-	13,176	13,176
Alternative and other investments	24,200	10,555	**34,755**	19,445	9,909	29,354
Fixed term deposits and cash	743	2,706	**3,449**	-	68	68
Proceeds due from disposal of property	-	9,625	**9,625**	-	10,075	10,075
Total group investments	24,943	144,849	**169,792**	19,445	128,186	147,631

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Merton Enterprises Limited, a company providing conference and other services on the College premises.

The College holds 100% of the issued share capital in Merton College No1 Limited, a company that purchases, develops and sells land and property.

The results and their assets and liabilities of the parent and subsidiary at the year end were as follows.

	2021 Parent College £'000	**2021** Merton Enterprises Ltd £'000	**2021** Merton College No1 Ltd £'000	2020 Parent College £'000	2020 Merton Enterprises Ltd £'000	2020 Merton College No1 Ltd £'000
Income	12,932	35	880	12,457	233	-
Expenditure	(16,890)	(12)	(67)	(14,446)	(151)	-
Donation to College under gift aid	-	-	-	-	-	-
Result for the year	(3,958)	23	813	(1,989)	82	-
Total assets	342,326	145	10,269	306,636	194	-
Total liabilities	(3,564)	(47)	(18)	(7,842)	(37)	-
Net funds at the end of year	338,762	98	10,251	298,794	157	-

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

	General Endowment		
	Trust for Investment £'000	Unapplied Total Return £'000	Total £'000
At the beginning of the year:			
Gift component of the general endowment	88,957	-	88,957
Unapplied total return	-	157,015	157,015
Total Group General Endowment	**88,957**	**157,015**	**245,972**
Movements in the reporting period:			
Investment return: total investment income	-	5,172	5,172
Investment return: realised and unrealised gains and losses	-	40,588	40,588
Investment return: Corporation Tax refund on sale of land		117	117
Less: Investment management costs	-	(1,638)	(1,638)
Total	-	44,239	44,239
Unapplied total return allocated to income in the reporting period	-	(8,182)	(8,182)
Net movements in reporting period	**-**	**36,057**	**36,057**
At end of the reporting period:			
Gift component of the permanent endowment	88,957	-	88,957
Unapplied total return	-	193,072	193,072
Total Group Endowments	**88,957**	**193,072**	**282,029**

Comparative figures are stated in Note 30b.

15 DEBTORS

	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
Amounts falling due within one year:				
Trade debtors	**182**	442	**125**	426
Amounts owed by College members	**58**	19	**58**	19
Amounts owed by Group undertakings	**-**	-	**6**	1
Loans repayable within one year	**289**	289	**289**	289
Prepayments and accrued income	**1,021**	596	**1,021**	596
Other debtors	**4**	4	**4**	4
Amounts falling due after more than one year:				
Loans	**-**	4	**-**	4
	1,554	1,354	**1,503**	1,339

16 CREDITORS: falling due within one year

	2021 Group £'000	2020 Group £'000	2021 College £'000	2020 College £'000
Trade creditors	**492**	233	**491**	233
Amounts owed to College Members	**5**	12	**5**	12
Amounts owed to Group undertakings	**-**	-	**5**	4
Taxation and social security	**268**	4,809	**222**	4,773
Accruals and deferred income	**567**	527	**555**	527
Other creditors	**455**	285	**455**	285
	1,787	5,866	**1,733**	5,834

17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2021 £'000**
Endowment Funds - Permanent						
General Endowment	245,972	4,292	(1,454)	(8,182)	40,588	**281,216**
Fellowship and Tutorship Funds:						
Baker Tutorial Support	231	346	-	-	26	**603**
Peter Braam Research Fellow	1,326	-	-	-	147	**1,473**
Chemistry Tutor	870	1	-	-	89	**960**
English Tutor	1,285	2	-	-	133	**1,420**
Law Tutor	569	12	-	-	50	**631**
Philosophy Tutor	1,126	-	-	-	119	**1,245**
Jessica Rawson Modern Asian History Tutor	986	10	-	-	105	**1,101**
Regius Professorship	-	935	(740)	-	-	**195**
Mark Reynolds History Tutor	1,795	-	-	-	193	**1,988**
Stringer	490	-	(525)	-	35	**-**
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	596	-	-	-	67	**663**
Peter Braam Scholar	399	-	-	-	43	**442**
John Barton BCL Scholar	140	-	-	-	15	**155**
Christopher Duggan Scholar	580	30	-	-	72	**682**
Roger Highfield Scholar	561	12	-	-	53	**626**
Charles Manby Scholar	457	-	-	-	50	**507**
Moussouris Rhodes Scholar	813	-	-	-	88	**901**
Other	86	4	-	-	9	**99**
Student Support Funds:						
Taylor Family Foundation	614	-	-	-	67	**681**
Reed Rubin Directors of Music	717	-	-	-	77	**794**
Other	65	-	-	-	7	**72**
	259,678	**5,644**	**(2,719)**	**(8,182)**	**42,033**	**296,454**
Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,150	-	-	-	124	**1,274**
Douglas Algar Humanities Tutor	830	-	-	-	90	**920**
Economics Tutor	965	-	-	-	101	**1,066**
David Hay Medical Tutor	382	-	-	-	42	**424**
Christine Blackwell Classics Tutor	1,712	-	-	-	174	**1,886**
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	764	-	-	-	93	**857**
David Stevens International Development Scholar	432	-	-	-	47	**479**
Merton Lawyers BCL/Mjur Scholar	365	-	-	-	39	**404**
Monica Barnett Law Scholar	155	-	-	-	18	**173**
John Moussouris Mathematics Scholar	622	-	-	-	67	**689**
Other	95	17	-	-	13	**125**
Student Support Funds:						
General Student Support	2,217	16	-	-	234	**2,467**
Howard Stringer Undergraduate Support	1,157	-	-	-	125	**1,282**
Undergraduate Student Support	654	62	-	-	64	**780**
John Roberts	549	1	-	-	58	**608**
Thomas Bowman	302	-	-	-	38	**340**
Gerald David Clayton	765	-	-	-	83	**848**
Choral Foundation	856	28	-	-	90	**974**
Compassionate Fund	333	-	-	-	37	**370**
Fitzhenry Biomedical Research Fund	140	-	-	-	17	**157**
Other Funds	289	-	-	-	40	**329**
	14,734	**124**	**-**	**-**	**1,594**	**16,452**
Total Endowment Funds	**274,412**	**5,768**	**(2,719)**	**(8,182)**	**43,627**	**312,906**
Endowment funds held by subsidiary	-	880	(67)	-	-	**813**
Total Endowment Funds - Group	274,412	6,648	(2,786)	(8,182)	43,627	**313,719**

17 ANALYSIS OF MOVEMENTS ON FUNDS CONTINUED

	At 1 August 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	**At 31 July 2021 £'000**
Restricted Funds						
Building Projects	228	317	(6)	(95)	51	**495**
Fellowship and Tutorship Funds	445	590	(556)	-	8	**487**
Graduate Scholarship and Student Prize Funds	886	427	(271)	-	-	**1,042**
Student Support Funds	711	312	(193)	-	41	**871**
Choir	71	246	(92)	(32)	-	**193**
Other Funds	290	159	(107)	-	-	**342**
Total Restricted Funds - Group	**2,631**	**2,051**	**(1,225)**	**(127)**	**100**	**3,430**
Unrestricted Funds						
General funds	5,755	5,113	(12,924)	8,908	-	**6,852**
Fixed Asset Fund	17,560	-	-	(599)	-	**16,961**
Aidan Jenkins Graduate Scholarship Fund	444	-	-	-	-	**444**
Pension reserve	(2,008)	-	177	-	-	**(1,831)**
Total Unrestricted Funds - College	**21,751**	**5,113**	**(12,747)**	**8,309**	**-**	**22,426**
Unrestricted funds held by subsidiaries	81	35	(94)	-	-	**22**
Total Unrestricted Funds - Group	21,832	5,148	(12,841)	8,309	-	22,448
Total Funds	**298,875**	**13,847**	**(16,852)**	**-**	**43,727**	**339,597**

Comparative figures are stated in Note 30c.

18 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

General Endowment Fund	Corporate capital, including founder's capital, whose income may be spent for general purposes.
Fellowship and Tutorship, Graduate Scholarship, Student Support Funds and Reed Directors of Music	Donations made for perpetuity, whose income may be spent for the restricted purposes described.

Endowment Funds - Expendable:

Fellowship and Tutorship Funds Graduate Scholarship and Student Prize Funds: Student Support Funds Choral Foundation Compassionate Fund Fitzhenry Biomedical Research Fund	Donations made for the long term, whose income and capital may both be spent for the restricted purposes described.

Restricted Funds:

Building Projects	Donations made for specific College building projects before completion. Funds are transferred to the Building Project Fund within Unrestricted Funds once the building has been completed.
Fellowship and Tutorship Funds **Graduate Scholarships and Student Prize Funds** **Student Support Funds** **Choir**	Unspent income generated from the permanent and expendable endowments above and donations made for restricted purposes which the trustees may spend at their discretion.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

The Fixed Asset Fund represents the original cost less accumulated depreciation of the College's fixed assets.

The Aidan Jenkins Graduate Scholarship Fund represents an unrestricted donation received and designated by the Trustees for a graduate scholarship.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**2021 Total £'000**
Tangible fixed assets	16,961	-	-	**16,961**
Property investments	-	-	147,357	**147,357**
Other investments	-	3,430	166,362	**169,792**
Net current assets	7,318	-	-	**7,318**
Long term liabilities	(1,831)	-	-	**(1,831)**
	22,448	**3,430**	**313,719**	**339,597**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	17,560	-	-	17,560
Property investments	-	-	129,412	129,412
Other investments	-	2,631	145,000	147,631
Net current assets	6,280	-	-	6,280
Long term liabilities	(2,008)	-	-	(2,008)
	21,832	2,631	274,412	298,875

20 TRUSTEES' REMUNERATION

The Trustees of the College are the members of the Governing Body, primarily those Fellows who are employed to undertake teaching and research and who sit on Governing Body by virtue of their employment.

No Fellow receives any remuneration for acting as a Trustee. However, those Fellows who are also employees of the College receive salaries in respect of their employment. In the case of teaching and research posts, salaries are set with reference to pay scales applying nationally within the higher education sector and within the University of Oxford. Salaries are determined in all cases by the Governing Body on the basis of recommendations made by the remuneration committee, whose composition is described in the Annual Report of the Governing Body.

Trustees of the College fall into the following categories:
(i) The Warden, who is the Head of College and chairs meetings of the Governing Body and its committees;
(ii) Official Fellows, who are elected to the office of Tutor, Bursar, Librarian, Chaplain, Development Director or other office of the College;
(iii) Professorial Fellows, who are senior members of the University of Oxford;
(iv) Fixed-term research Fellows, who may be either junior career-development employees of the College, or senior academics who are not employed by the College.

College Officers and career-development research Fellows may be accommodated by the College. 32 Fellows (2020: 36) were accommodated in houses, flats or rooms owned by the College during the year. Fellows who are eligible for accommodation but who are not accommodated are paid a housing allowance, which is included within the salary figures below.

Some Fellows receive allowances for work carried out as part-time College Officers, including the Sub Warden, student disciplinary officer and research supervisor. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits included below is £2,229k (2020: £2,186k). The total of pension contributions is £396k (2020: £363k).

Remuneration paid to trustees	2021		2020	
Range	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1,000-£1,999	1	1,719	1	1,815
£2,000-£2,999	-	-	3	8,180
£3,000-£3,999	1	3,276	2	7,056
£4,000-£4,999	1	4,164	1	4,881
£6,000-£6,999	-	-	1	6,541
£7,000-£7,999	-	-	1	7,868
£10,000-£10,999	1	10,280	1	10,092
£11,000-£11,999	-	-	1	11,360
£12,000-£12,999	1	12,110	1	12,537
£13,000-£13,999	-	-	1	13,644
£16,000-£16,999	1	16,345	-	-
£17,000-£17,999	-	-	1	17,051
£19,000-£19,999	-	-	1	19,902
£20,000-£20,999	1	20,576	4	83,198
£21,000-£21,999	8	172,219	1	21,527

Remuneration paid to trustees continued	2021		2020	
Range	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions
£22,000-£22,999	-	-	2	44,289
£23,000-£23,999	2	47,943	1	23,972
£24,000-£24,999	2	48,804	2	48,785
£25,000-£25,999	1	25,016	2	51,232
£29,000-£29,999	2	58,642	2	59,327
£30,000-£30,999	1	30,024	-	-
£31,000-£31,999	-	-	2	63,412
£32,000-£32,999	1	32,153	-	-
£34,000-£34,999	3	103,097	1	34,418
£35,000-£35,999	1	35,196	2	70,938
£37,000-£37,999	1	37,470	1	37,010
£38,000-£38,999	1	38,227	-	-
£39,000-£39,999	1	39,950	1	39,777
£40,000-£40,999	2	81,799	5	203,567
£41,000-£41,999	-	-	1	41,649
£42,000-£42,999	5	211,573	2	84,171
£45,000-£45,999	2	91,097	2	90,285
£47,000-£47,999	-	-	1	47,519
£48,000-£48,999	1	48,893	2	96,901
£49,000-£49,999	1	49,311	1	49,817
£53,000-£53,999	-	-	1	53,484
£54,000-£54,999	2	109,410	2	109,601
£55,000-£55,999	3	166,753	-	-
£58,000-£58,999	-	-	1	58,405
£61,000-£61,999	1	61,038	-	-
£71,000-£71,999	-	-	1	71,793
£74,000-£74,999	-	-	1	74,869
£75,000-£75,999	1	75,448	-	-
£76,000-£76,999	1	76,077	-	-
£84,000-£84,999	-	-	1	84,449
£85,000-£85,999	-	-	1	85,224
£87,000-£87,999	1	87,554	-	-
£91,000-£91,999	1	91,902	-	-
£95,000-£95,999	1	95,654	-	-
£97,000-£97,999	-	-	1	97,152
£99,000-£99,999	-	-	1	99,045
£104,000-£104,999	1	104,979	1	104,190
£108,000-£108,999	1	108,777	-	-
£130,000-£130,999	-	-	1	130,320
£132,000-£132,999	1	132,597	1	132,085
£133,000-£133,999	1	133,375	-	-
£135,000-£135,999	-	-	1	135,518
£161,000-£161,999	1	161,341	-	-

10 Fellows (2020: 12) were not employed by the College during the year and did not receive any remuneration. All Fellows and all permanent employees of the College are eligible for private health insurance. All Fellows may take meals in College, together with all employees, who are entitled to take meals while working.

Trustee expenses

No Fellow claimed any expenses for work as a trustee.

Other transactions with trustees

There were no other transactions between the College and Fellows or related parties.

See note 27 Related Party Transactions.

Key management remuneration

The total remuneration paid to key management, including employer's national insurance contributions, was £2,856k (2020: £2,775k).

Key management are considered to be the Trustees of the College.

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis – based on contributions into the scheme). Both are multi–employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS or OSPS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The College has also made available the National Employment Savings Trust for employees who are eligible under automatic enrolment regulations to pension benefits, but not eligible for either USS or OSPS.

Schemes accounted for under FRS 102 as defined contribution schemes

Actuarial Valuations

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results were:

	USS	**OSPS**
Date of valuation:	31/03/18	31/03/19
Date valuation results published:	16/09/19	19/06/20
Value of liabilities:	£67.3bn	£848m
Value of assets:	£63.7bn	£735m
Funding surplus / (deficit):	(£3.6bn)	(£113m)
Principal assumptions:		
Discount rate	CPI - 0.73% to CPI +2.52% **(a)**	Gilts +0.5%-2.25% **(b)**
Rate of increase in salaries	n/a	RPI
Rate of increase in pensions	CPI **(c)**	Average RPI/CPI **(d)**
Assumed life expectancies on retirement at age 65:		
Males currently aged 65	24.6 yrs	21.7 yrs
Females currently aged 65	26.1 yrs	24.4 yrs
Males currently aged 45	26.6 yrs	23.0 yrs
Females currently aged 45	27.9 yrs	25.8 yrs
Funding Ratios:		
Technical provisions basis	95%	87%
Statutory Pension Protection Fund basis	76%	74%
'Buy-out' basis	56%	60%
Employer contribution rate (as % of pensionable salaries): **(e)**	21.1% increasing to 23.7% on 01/10/21	19%
Effective date of next valuation:	31/03/20	31/03/22

(a) The discount rate (forward rates) for the USS valuation was:

Years 1-10:	CPI + 0.14% reducing linearly to CPI – 0.73%
Years 11-20:	CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
Years 21 +:	CPI + 1.55%

(b) The discount rate for the OSPS valuation was:

Pre-retirement:	Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term
Post-retirement:	Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term

(c) Pensions increases (CPI) for the USS valuation were:
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

(d) Increases to pensions in payment for the OSPS valuation were:
RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019).

For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

(e) The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	USS	
Assumption	**Change in assumption**	**Impact on USS liabilities**
Initial discount rate	increase by 0.1%	decrease by £1.2bn
Asset values	reduce by 10%	increase by £6.4bn
RPI - CPI spread	increase by 0.1%	decrease by £0.7bn
Rate of mortality	more prudent assumption (mortality rated down by a further year)	increase by £1.6bn

	OSPS	**Impact on OSPS**
Assumption	**Change in assumption**	**technical provisions**
Valuation rate of interest	decrease by 0.25%	increase by £45m
RPI	increase by 0.25%	increase by £40m

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principal assumptions used in these calculations are tabled below:

	2021 OSPS	**2021 USS**	2020 OSPS	2020 USS
Finish Date for Deficit Recovery Plan	**30/01/28**	**31/03/28**	30/01/28	31/03/28
Average staff number increase	**nil**	**nil**	nil	nil
Average staff salary increase	**3.00%**	**2.00%**	3.00%	2.00%
Average discount rate over period	**0.89%**	**0.89%**	0.74%	0.63%
Effect of 0.5% change in discount rate	**£18k**	**£18k**	£26k	£20k
Effect of 1% change in staff growth	**£18k**	**£37k**	£82k	£41k

An OSPS provision of £906k has been made at 31 July 2021 (2020: £1,165k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

A USS provision of £925k has been made at 31 July 2021 (2020: £843k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	**2021 £000's**	2020 £000's
Universities Superannuation Scheme:		
Continuing charges	**454**	411
Pension provision change	**77**	(490)
University of Oxford Staff Pension Scheme:		
Continuing charges	**500**	514
Pension provision change	**(268)**	(222)
Other schemes – contributions	**18**	20
Total	**781**	233

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: www.uss.co.uk , www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps.

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the companies under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

23 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATIONS

	2021 Group £'000	2020 Group £'000
Net income	**(3,122)**	(1,907)
Elimination of non-operating cash flows:		
Investment income	**(6,335)**	(6,109)
Endowment donations	**(1,476)**	(479)
Depreciation	**1,134**	1,121
Profit on sale of fixed assets	**-**	(1)
Increase in stock	**(34)**	(2)
(Increase)/Decrease in debtors	**(200)**	298
Increase/(Decrease) in creditors	**(4,079)**	3,560
Decrease in pension scheme liability	**(177)**	(674)
Net cash used in operating activities	**(14,289)**	(4,193)

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash at bank and in hand	**7,178**	10,453
Endowment assets cash	**3,449**	68
Total cash and cash equivalents	**10,627**	10,521

25 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.

The College had a contracted commitment at 31 July in respect of a gift agreement with the University of Oxford for the Regius Professor of Mathematics totalling £688k (2020 £Nil).

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £351k (2020 £578k).

27 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102 ("Related party disclosures"). Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements. The following trustees had mortgage loans outstanding from the College at the start and/or end of the year.

	2021	2020
	£'000	£'000
Professor M Kim	**278**	278
Dr J Walworth	**4**	8

Interest is charged on the above loans at either 75% of the Santander mortgage rate for existing borrowers, or at a maximum of 1% above the base lending rate of Barclays Bank plc. All loans are repayable within 20 years or immediately in full when the Fellow demits from office, if earlier. The College has ceased to make loans on these terms.

The College has made equity housing loans to the following Fellows who are employees on the basis the capital sums repayable are linked to the value of the property on which the loan is secured. These loans are repayable in full when the Fellow demits from office and are classified as property investments in the balance sheet.

	2021	2020
	£'000	£'000
Mr J Gloag	**60**	60
Dr P Thornton	**360**	360
Dr M Whitworth	**155**	155
Prof M Higgins	**171**	171

28 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly within the College's control.

29 POST BALANCE SHEET EVENTS

During August 2021 the College entered into discussions regarding the sale of land at Begbroke currently included within Property Investments. On 19 October 2021 the College sold the land, valued in the financial statements at £3.5m, for a consideration of £13m. This is considered to be a non-adjusting subsequent event.

Since the year end, following the completion of the USS 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in a increased obligation to fund the deficit of £2.522m, an increase of £1.597m.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They would remain at this level until 31 July 2032. Negotiations continue and an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the College's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

30 ADDITIONAL PRIOR YEAR COMPARATIVES

a Consolidated Statement of Financial Activities
For the year ended 31 July 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total £'000
INCOME AND ENDOWMENTS FROM:					
Charitable activities:	1				
Teaching, research and residential		4,474	-	-	4,474
Other Trading Income	3	526	-	-	526
Donations and legacies	2	279	457	479	1,215
Investments					
Investment income	4	1	1,140	4,968	6,109
Total return allocated to income	30b	7,910	-	(7,910)	-
Other Income - Coronavirus Job Retention Scheme		366	-		366
Total income		13,556	1,597	(2,463)	12,690
EXPENDITURE ON:	5				
Charitable activities:					
Teaching, research and residential		11,055	1,230	-	12,285
Generating funds:					
Fundraising		537	-	-	537
Trading expenditure		392	-	-	392
Investment management costs		-	-	1,383	1,383
Total Expenditure		11,984	1,230	1,383	14,597
Net Income/(Expenditure) before gains		1,572	367	(3,846)	(1,907)
Net gains/(losses) on investments	11, 12	-	(23)	245	222
Corporation Tax charge on sale of land		-	-	(2,082)	(2,082)
Net Income/(Expenditure)		1,572	344	(5,683)	(3,767)
Transfers between funds	30c	73	(73)	-	-
Net movement in funds for the year		1,645	271	(5,683)	(3,767)
Fund balances brought forward	30c	20,187	2,360	280,095	302,642
Funds carried forward at 31 July		21,832	2,631	274,412	298,875

b STATEMENT OF INVESTMENT TOTAL RETURN 2020

The Trustees have adopted a policy of total return accounting for the College general endowment investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3.5% of the average closing value of the investments in each of the last five years. The amount applied as income for spending is included within the income section of the SOFA on the basis that this gives a clearer understanding of the financial position of the College. The preserved value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at the date of the gift.

		General Endowment	
	Trust for Investment	Unapplied Total Return	Total
	£'000	£'000	£'000
At the beginning of the year:			
Gift component of the general endowment	88,957	-	88,957
Unapplied total return	-	161,736	161,736
Total General Endowment	88,957	161,736	250,693
Movements in the reporting period:			
Investment return: total investment income	-	4,968	4,968
Investment return: realised and unrealised gains and losses	-	1,686	1,686
Investment return: Corporation Tax charge on sale of land	-	(2,082)	(2,082)
Less: Investment management costs	-	(1,383)	(1,383)
Total	-	3,189	3,189
Unapplied total return allocated to income in the reporting period	-	(7,910)	(7,910)
Net movements in reporting period	-	(4,721)	(4,721)
At end of the reporting period:			
Gift component of the permanent endowment	88,957	-	88,957
Unapplied total return	-	157,015	157,015
Total Endowments	88,957	157,015	245,972

Figures for the current year are stated in Note 14.

c ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2019	Income	Expenditure	Transfers	Gains/ (losses)	At 31 July 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds - Permanent						
General Endowment	250,693	4,968	(3,465)	(7,910)	1,686	245,972
Fellowship and Tutorship Funds:						
Peter Braam Research Fellow	1,400	-	-	-	(74)	1,326
Chemistry Tutor	915	-	-	-	(45)	870
English Tutor	1,329	22	-	-	(66)	1,285
Law Tutor	551	43	-	-	(25)	569
Philosophy Tutor	1,186	-	-	-	(60)	1,126
Jessica Rawson Modern Asian History Tutor	1,028	10	-	-	(52)	986
Mark Reynolds History Tutor	1,893	-	-	-	(98)	1,795
Stringer	517	-	-	-	(27)	490
Other	141	93	-	-	(3)	231
Graduate Scholarship Funds:						
Ripplewood Japanese Scholar	630	-	-	-	(34)	596
Peter Braam Scholar	421	-	-	-	(22)	399
John Barton BCL Scholar	147	-	-	-	(7)	140
Christopher Duggan Scholar	514	61	-	-	5	580
Roger Highfield Scholar	433	146	-	-	(18)	561
Charles Manby Scholar	483	-	-	-	(26)	457
Moussouris Rhodes Scholar	858	-	-	-	(45)	813
Other	81	9	-	-	(4)	86
Student Support Funds:						
Taylor Family Foundation	648	-	-	-	(34)	614
Reed Rubin Directors of Music	756	-	-	-	(39)	717
Other	68	-	-	-	(3)	65
	264,692	5,352	(3,465)	(7,910)	1,009	259,678

c ANALYSIS OF MOVEMENTS ON FUNDS CONTINUED

	At 1 August 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
Endowment Funds - Expendable						
Tutorship Funds:						
Dominic Welsh Mathematics Tutor	1,213	-	-	-	(63)	1,150
Douglas Algar Humanities Tutor	875	-	-	-	(45)	830
Economics Tutor	1,015	1	-	-	(51)	965
David Hay Medical Tutor	403	-	-	-	(21)	382
Christine Blackwell Classics Tutor	1,800	-	-	-	(88)	1,712
Graduate Scholarship and Student Prize Funds:						
James Jackson Natural Sciences Scholar	812	-	-	-	(48)	764
David Stevens International Development Scholar	455	-	-	-	(23)	432
Merton Lawyers BCL/Mjur Scholar	385	-	-	-	(20)	365
Monica Barnett Law Scholar	164	-	-	-	(9)	155
John Moussouris Mathematics Scholar	657	-	-	-	(35)	622
Other	96	4	-	-	(5)	95
Student Support Funds:						
General Student Support	2,303	32	-	-	(118)	2,217
Howard Stringer Undergraduate Support	1,222	-	-	-	(65)	1,157
Undergraduate Student Support	632	52	-	-	(30)	654
John Roberts	577	1	-	-	(29)	549
Thomas Bowman	321	-	-	-	(19)	302
Gerald David Clayton	807	-	-	-	(42)	765
Choral Foundation	896	5	-	-	(45)	856
Compassionate Fund	351	-	-	-	(18)	333
Fitzhenry Biomedical Research Fund	148	-	-	-	(8)	140
Other Funds	271	-	-	-	18	289
	15,403	95	-	-	(764)	14,734
Total Endowment Funds	280,095	5,447	(3,465)	(7,910)	245	274,412
Restricted Funds						
Building Projects	189	45	(6)	-	-	228
Fellowship and Tutorship Funds	442	580	(501)	(73)	(3)	445
Graduate Scholarship and Student Prize Funds	762	409	(285)	-	-	886
Student Support Funds	631	311	(211)	-	(20)	711
Choir	79	86	(94)	-	-	71
Other Funds	257	166	(133)	-	-	290
Total Restricted Funds	2,360	1,597	(1,230)	(73)	(23)	2,631
Unrestricted Funds						
General funds	4,590	5,413	(12,371)	8,123	-	5,755
Fixed Asset Fund	17,700	-	-	(140)	-	17,560
Aidan Jenkins Graduate Scholarship Fund	444	-	-	-	-	444
Pension reserve	(2,682)	-	674	-	-	(2,008)
Total Unrestricted Funds - College	20,052	5,413	(11,697)	7,983	-	21,751
Unrestricted funds held by subsidiaries	135	233	(287)	-	-	81
Total Unrestricted Funds - Group	20,187	5,646	(11,984)	7,983	-	21,832
Total Funds	302,642	12,690	(16,679)	-	222	298,875

Figures for the current year are stated in Note 17.